



Know Your Customer (KYC) Policy as per KRA Regulations

Uniform Know Your Client (KYC) Requirements for the Securities Markets W.E.F. 1 January 2012

SEBI has vide its various circulars viz. MIRSD/SE/Cir-21/2011 dated October 5, 2011, MIRSD/Cir-23/2011 dated December 2, 2011 and the SEBI (KYC Registration Agency) Regulations, 2011 mandated KYC registration of clients/investors with KRA (KYC Registration Agency).

There are some salient changes in the KYC process, applicable forms and supporting documents requirements, as listed below.

1. For Individuals:

- a. Marital Status (mandatory)
- b. Unique Identification Number (UID)/Aadhaar (Mandatory)
- c. Modification in slabs for Gross Annual Income Details, or
- d. Individuals have the choice to mention their Net Worth as on a recent date in lieu of Gross Annual Income Details
- e. Pan Card Also Mandatory.

2. For Non - Individuals:

- a. Photograph of the authorized signatories required on the form with signature across it
- b. Additional details like 'Place of Incorporation', 'Date of commencement of Business', 'Net Worth as on a recent date'
- c. Name, Photograph, PAN, Proof of Identity, Proof of Address (Bank Statement Latest 6 Months) of Karta/Partners/Trustees/Promoters (holding direct or indirect control)
- d. DIN/UID of Promoters/Partners/Karta/Whole Time Directors
- e. Copy of balance sheets for last two years; latest share holding pattern etc.

3. In-Person Verification (IPV) - Mandatory: SEBI vide circular number MIRSD/Cir-26/2011 dated December 23, 2011 has mandated IPV for all new clients

- a. IPV can be performed by our own Employee or employees of our Sub-brokers.
- b. Further, details like name of the person doing IPV, designation, organization name, signatures and date of IPV should be recorded on the KYC form at the time of IPV

Revised KYC norms are applicable to existing clients also.

However, if a client has completed his/her KYC requirements through any SEBI registered intermediary, the KYC carried out through such intermediary can be relied upon and no fresh KYC will be required, provided the KYC details are in conformity with the details sought in the new Uniform KYC form prescribed by SEBI.



For existing clients, who are as on date not KYC compliant, KYC form along with supporting documents as per KRA Regulations will be obtained.

The KYC requirements be completed by filling up the prescribed KYC form and submitting the same along with the other requisite details/proof (self-certified photo copies of supporting documents relating to proof of identity and address or verification with the original).

Steps to be followed:

- Uniform KYC application form submitted by client along with self-certified photo copies of the supporting documents relating to proof of identity and proof of address along with the originals to be verified.
- If KYC application form is complete with all supporting, IPV will be done. If KYC is incomplete/documents are not proper, client will be asked to complete form and provide correct documents.
- KRA details will be uploaded in the back-office software. Necessary Proofs will be scanned. KRA forms along with supporting documents are required to be sent to KRA. This can be done by two ways (i) Physical Submission (ii) Electronic submission. The uploading or dispatch should be done within 10 working days and proof of dispatch for the same shall be maintained.
- Verification of status of KRA for forms received will be done. This will be done by PAN check either by (i) One by one Uploading or (ii) Batch uploading.
- If PAN already exists in the KRA database, their details are fetched. The fetched data are verified with existing data. If the data is not the same, necessary modification forms shall be obtained and done.
- If PAN does not already exist in the KRA database, the same is required to be either Uploaded to the KRA system or sent across physically through their affiliated couriers. Uploading shall be done either (i) One by one (ii) Batch Uploading.
- KYC status will be verified in KRA system at the end of each day and updated in back office.
- Necessary follow up will be done with KRA for any discrepancies observed.
- Rejected KYC will be rectified and sent to KRA within 10 working days.
- Any subsequent change to Address, Pin Code, Country, Nationality, Occupation, Income details, Date of birth, Proof of identity, will be modified in KRA system.



Exception to PAN based Common Standard KYC

The below type of investors will be exempt from PAN based KYC, however, such investors will be subject to the uniform KYC process

- In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
- Investors residing in the state of Sikkim
- UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India
- In case of institutional clients Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediaries

Other important points:

The above KYC norms may undergo changes from time-to-time. Hence, concerned officials will be apprised of about KYC applicability before submitting their applications/transactions to avoid rejections.