



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

## **Consultation paper for simplification of client on-boarding and rationalisation of risk management framework at KYC Registration Agencies**

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## **I. Definitions:**

1. For the purpose of this consultation paper, the terms used herein shall bear the meaning, as given below:
  - 1.1. PMLA means, “The Prevention of Money Laundering Act, 2002” and includes the amendments thereto.
  - 1.2. Know Your Client (KYC) means the procedure specified by the Board of identifying and verifying the Proof of Address, Proof of Identity and compliance with rules, regulations, guidelines and circulars issued by the Board or any other authority for Prevention of Money Laundering from time to time.
  - 1.3. KYC Registration Agencies (KRA) is a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under the SEBI [KYC (Know Your Client) Registration Agency] Regulations, 2011<sup>1</sup> (“KRA Regulations”) and which shall hereinafter be deemed to be an “intermediary” in terms of the provisions of the SEBI Act, 1992.
  - 1.4. Client Due Diligence (CDD) shall have the same meaning as assigned to it under Rule 2 (1) (b) of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. i.e. Due diligence carried out on a person who is engaged in a financial transaction or activity with a reporting entity and includes a person on whose behalf the person who engaged in transaction or activity, is acting.
  - 1.5. Client Identification Process (CIP) is a part of client due diligence for the purpose of verification of identity of the person.
  - 1.6. “Validated” tag for a KYC record implies that the information therein has been independently verified by KRA.
  - 1.7. “Validated” record becomes “portable” across intermediaries i.e. when the same client approaches another intermediary, it need not provide the information again. The next intermediary can fetch the validated record from the KRA system. This applies for CIP information as on date.

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<sup>1</sup> [Securities and Exchange Board of India {KYC \(Know Your Client\) Registration Agency} Regulations, 2011](#):

## **II. Objective:**

2. The objective of this consultation paper is to seek comments/ views/ suggestions from the public on the proposals to ease client on-boarding and rationalise the existing risk management framework at KRAs.

## **III. Background:**

3. On October 12, 2023<sup>2</sup>, SEBI issued a Master Circular regarding the Know Your Client norms to be followed by intermediaries in the securities market (“KYC Master Circular”). These KYC norms are aligned with the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005<sup>3</sup> (“PML Rules”) and the KRA Regulations.
4. Based on market feedback, a need was felt for reviewing the client on-boarding process and strengthening the risk management framework at KRAs from the perspective of customer identification and due diligence. Accordingly, a Working Group was constituted comprising of industry participants and Market Infrastructure Institutions to dwell on the relevant issues and make recommendations for effective utilisation of infrastructure and records.
5. Based on the recommendations of the Working Group, certain modifications are proposed to the KYC Master Circular, as given below:
  - 5.1. Centralisation of supplementary information at KRAs and portability thereof;
  - 5.2. Re-KYC and sharing of KYC information/ update among intermediaries;
  - 5.3. Option for providing alternate email id and mobile number and easier mobile number verification requirement;
  - 5.4. Delinking of KYC record in KRA by the intermediary;
  - 5.5. Relaxation in the requirement of overseas address proof for Overseas Citizen of India (OCI)/ Persons of Indian Origin (PIO) card holders who are residing in India;
  - 5.6. Relaxation on the requirement of submission of documents for name change; and
  - 5.7. Relaxation in source verification of current address.

The same have been covered in detail in the subsequent paragraphs.

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<sup>2</sup> [SEBI Master Circular ref. no. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169](#);

<sup>3</sup> [PML Rules, 2005](#):

#### **IV. Proposals:**

##### **6. Centralisation of supplementary information at KRAs and portability thereof:**

6.1. Background: KYC constitutes CIP (Part I of the Account Opening Form (AOF))—identification of client and address and CDD (Part II) - supplementary information for due diligence such as income range, place and country of birth, occupation, education, etc. This is consistent across intermediaries for the purpose of client on-boarding.

6.2. Extant regulatory provisions: Paragraphs 5 and 6 of the KYC Master Circular, *inter-alia*, prescribes the Part - I of the AOF, which is considered as CIP. This is aligned with the template prescribed by CERSAI. Paragraph 96 of the KYC Master Circular, *inter-alia*, mandates the KRA to verify and validate the information uploaded by an intermediary. Paragraph 101 of the KYC Master Circular, *inter-alia*, facilitates an intermediary to fetch the validated records from the KRA.

##### **6.3. Need for review:**

6.3.1. The supplementary information captured as part of CDD is not standardised at KRA level and hence, client continues to provide the same information to every intermediary it approaches. Further, it is noted that it may not be feasible for the intermediary/ KRA to undertake source validation for all such information.

6.3.2. In view of the above, the account opening process needs to be reviewed.

##### **6.4. Proposal:**

6.4.1. To ease the account opening process for clients, and harness the KRA infrastructure, it is proposed that some of the supplementary information being submitted by the clients in Part – II of the AOF form, which are common across intermediaries, shall be stored at the KRA level and shall be made shareable.

6.4.2. The following information, which is currently collected in Part - II of the AOF, shall also be submitted by the intermediaries to the KRA:

- a. Income range;
- b. Net worth and date of net worth (optional);
- c. Place and country of birth;

- d. Foreign Account Tax Compliance Act (FATCA) related information (as mentioned in SEBI Circular SEBI/HO/MIRSD/SECFATF/P/CIR/2024/12 dated February 20, 2024); and
- e. Politically Exposed Persons (PEP) status.
- f. Occupation.

6.4.3. The income range options in the AOF may be made uniform viz. i) 0 – 5 Lakhs ii) 5 – 10 Lakhs iii) 10 – 50 Lakhs iv) 50 Lakhs – 1 Crore vi) 1 – 2 Crores vii) > 2 Crores. This can be supplemented by confirmation that whether the information is backed by supporting document or not.

6.4.4. Additionally, the following information is proposed to be captured by the intermediary in the KRA system to make the system more robust:

- a. CKYC ID, if available;
- b. DIGIPIN<sup>6</sup>, if available;
- c. Expiry date of Officially Valid Document (OVD)<sup>7</sup>.

6.4.5. KRAs shall after due consultation with market intermediaries specify a standardised format for capturing and storing such additional information and shall be published by the KRAs on their website.

6.4.6. The intermediaries may continue to collect additional information, if any, specific to the area of activity, in Part - II of the AOF.

6.4.7. It may not be feasible for the intermediary/ KRA to undertake source validation for all such information, however, if the KRA independently verifies the aforementioned supplementary information about the clients, it shall tag the record appropriately.

#### 6.5. Proposed amendment:

6.5.1. The paragraph 6 of the KYC Master Circular shall be replaced, with the following:

*“In Part II of the AOF, the intermediary shall collect the following additional information from the client at the time of on boarding, over and above the information specific to the area of activity of the intermediary, as considered appropriate by them:*

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<sup>6</sup> 10-character alphanumeric geo-coded addressing system developed by the Department of Posts;

<sup>7</sup> OVD defined under Rule 2(1)(d) of the PML Rules;

- a. CKYC ID, if available;
- b. DIGIPIN, if available;
- c. Expiry date of Officially Valid Document (OVD);
- d. Alternate mobile number and email id (optional)".

6.5.2. The paragraph 84 of the KYC Master Circular shall be replaced, with the following:

*"After doing the initial KYC of the new clients, the intermediary shall forthwith upload the below mentioned KYC information on the system of the KRA within 3 working days from the date of completion of KYC process:*

- a. *Part I of AOF (CIP Form in CKYCR template);*
- b. *The following information from Part II of AOF:*
  - i. *Income range;*
  - ii. *Net worth and date of net worth (optional);*
  - iii. *Place and country of birth;*
  - iv. *Foreign Account Tax Compliance Act (FATCA) related information (as mentioned in SEBI Circular SEBI/HO/MIRSD/SECFATF/P/CIR/ 2024/12 dated February 20, 2024); and*
  - v. *Politically Exposed Persons (PEP) status*
  - vi. *Occupation.*
  - vii. *CKYC ID, if available;*
  - viii. *DIGIPIN, if available; and*
  - ix. *Expiry date of Officially Valid Document (OVD)*
  - x. *Alternate mobile number and email id (optional)".*

6.5.3. The paragraph 104A shall be incorporated in the KYC Master Circular, as given below:

*"KRA shall tag the records that it independently verifies and validates including information given under Para 84 (b)."*

6.6. Applicability: The said provision shall come into effect from the date of issue of the circular. For existing KYC records, intermediaries shall upload the information on the KRA system, within 6 months from the date of issue of the circular.

## **7. Re-KYC and sharing of KYC information/ update among intermediaries:**

- 7.1. Background: As per the extant framework under PMLA, the KYC information of clients should be reviewed from time to time, in order to keep them relevant and to mitigate the risks to the system.
- 7.2. Extant regulatory provisions: As per Regulation 16(b) of the KRA Regulations, it is the responsibility of an intermediary to upload updated information on the system of KRA, upon receipt of information about change in KYC details and status of the clients. Further, Regulation 15(f) of the KRA Regulations, *inter-alia*, requires KRAs to disseminate update, if any, in the information about a client, to all intermediaries that avail of the services of the KRA in respect of that client.
- 7.3. Need for review: The intermediaries are required to undertake due diligence<sup>8</sup> and regular update of the KYC profile of the clients depending upon their risk categorization. However, there is a need to specify a defined time limit, within which all KYC records should necessarily be reviewed. This is especially relevant for KYC records of minors upon attainment of majority or for KYC records where validity date of the OVD has expired.

### **7.4. Proposal:**

- 7.4.1. In order to address the concern of outdated KYCs in the KRA system, it is proposed to mandate that KRAs shall review all KYC records, once in 5 years, from the date of account creation/ last update.
- 7.4.2. The KRAs shall, in collaboration with each other, publish standardised norms for operationalising the aforementioned proposal, including sending automated alert(s) to intermediaries at least one month prior to the due date for review.
- 7.4.3. The KRA may consider to downgrade the status of portability of the KYC record, if the client did not update or confirm the KYC information within specific time period.
- 7.4.4. Further, the updated information about client once shared with one intermediary shall be available to all other intermediaries with which the client deals with through the KRA. This shall ease the process of investing for the clients. This shall also be in line with Rule 9 (1-H) of the PML

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<sup>8</sup> Paragraph 18(ii) of the SEBI Master Circular ref. no. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78 dated June 6, 2024, regarding Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT)/ Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under (“AML Master Circular”).

Rules<sup>9</sup>, which requires intermediaries to retrieve and update their KYC records.

#### **7.5. Proposed amendment:**

7.5.1. The paragraph 89A shall be incorporated in the KYC Master Circular, as given below:

*“The intermediaries shall update the KYC records of their clients, as per information received from the KRA under Regulation 15(f) of the KRA Regulations”.*

7.5.2. The paragraph 95A shall be incorporated in the KYC Master Circular, as given below:

*“The KRA shall send prior intimation to all the intermediaries which have fetched the KYC record from its system, if:*

- a. the KYC information has not been updated in the last 5 years;*
- b. the validity of the OVD in the KYC record has expired; or*
- c. the KYC pertains to a minor which has attained 18 years of age.”*

7.6. **Applicability:** The said provision shall come into effect for all KYCs from the date of issue of the circular. Further, a time period of 3 months from the date of issue of the circular shall be provided to the intermediaries to update the old KYC records. The KRAs shall facilitate this process of updating of old records by intermediaries.

#### **8. Option for providing alternate email id and mobile number and easier mobile number verification requirement:**

8.1. **Background:** Given the advent of technology, clients may choose to maintain multiple mobile numbers and email ids.

8.2. **Extant regulatory provisions:** The extant CKYCR template allows client to provide one telephone number of residence, office and mobile number and one email id. The KYC details of client are verified by the intermediary. Paragraph 97 of the KYC Master Circular, provides that the KRA shall verify the client's mobile number and email id. KRAs usually record the status of validated mobile number, basis, seeding with Aadhaar, OTP based validation or delivery based validation.

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<sup>9</sup> Amendment to PML Rules notified on July 19, 2024;

**8.3. Need for review:**

- 8.3.1. In order to provide flexibility to clients and to capture alternate details, an option of capturing alternate mobile number and email id may be suitably incorporated in the AOF.
- 8.3.2. Further, intermediaries undertake verification of KYC records of the clients' including mobile number, even if the number is already linked/seeded with Aadhaar i.e. registered with Unique Identification Authority of India (UIDAI).

**8.4. Proposal:**

- 8.4.1. Part – II of the AOF may include provision for client to provide alternate mobile number and email id, if it so desires. This information shall be over and above the primary contact details provided in Part – I of the AOF.
- 8.4.2. If the client provides the alternate mobile number and email id, the intermediary shall verify and upload the said information on the KRA system. The KRA shall perform independent validation of the said information and record status of validation, as applicable.
- 8.4.3. If the mobile number is “seeded with Aadhaar”, then the KRA shall tag the record appropriately. For the record so tagged, the intermediary downloading the information need not undertake verification of the mobile number.

**8.5. Proposed amendment:** The necessary amendments in this regard are given below:

- 8.5.1. Paragraph 84 of the KYC Master Circular shall need to be modified. The proposal in this regard has already been suitably incorporated at paragraph 6.5.2 above.
- 8.5.2. Paragraph 104A shall have to be incorporated in the KYC Master Circular as suggested at paragraph 6.5.3 above.
- 8.5.3. Paragraph 104B shall have to be incorporated in the KYC Master Circular, as given below:

*“If the client mobile number is tagged by KRA as seeded with Aadhaar and verified, verification of such mobile number shall be optional for the intermediary accessing the information from the KRA system.”*

8.6. Applicability: The said provision shall come into effect for all KYCs from the date of issue of the circular.

9. **Delinking of KYC record in KRA by the intermediary:**

9.1. Background: Once the account based relationship between an intermediary and a client for a SEBI regulated activity ceases, the intermediary should promptly update the KRA records as 'account closed'.

9.2. Extant regulatory provisions: No specific provision as of now.

9.3. Need for review: While the intermediaries are required to update change in KYC information of a client in the KRA system, there are no explicit provisions requiring the intermediary to update the KRA when the client closes the account. This creates a systemic concern especially since the KRA may continue to disseminate updated information about the client to such intermediary.

9.4. Proposal:

9.4.1. To mitigate the risk of sharing of information with the intermediaries who no longer have a relationship with the client, the process of delinking of such KYC records from such intermediaries in the KRA system needs to be introduced.

9.4.2. The intermediary shall within 3 working days from the date of account closure, inform the KRA, which shall in turn update its records, within 2 working days from the date of receipt of such information.

9.5. Proposed amendment:

9.5.1. The paragraph 95B shall be incorporated in the KYC Master Circular as given below:

*"The intermediary shall within 3 working days from the date of account closure by a client inform the KRA."*

9.5.2. The paragraph 104C shall be incorporated in the KYC Master Circular, as given below:

*"The KRA shall within 2 working days from the date of receipt of information from the intermediary about KYC modification or account closure by a client, update/ delink the relevant KYC record, respectively".*

9.6. Applicability: The said provision shall come into effect from the date of issue of the circular. Further, within 3 months from the date of issue of the circular, intermediaries shall update the KRA system for the old client records which have been closed since.

10. **Relaxation in the requirement of overseas address proof for Overseas Citizen of India (OCI) card holders who are residing in India:**

10.1. Background: Non-Resident Indians (NRIs) and foreign nationals, who are allowed to trade in the Indian securities market, have to undergo enhanced due diligence owing to the inherent risks associated with cross-border financial activities.

10.2. Extant regulatory provisions: As per paragraph 20 of the KYC Master Circular, NRIs and foreign nationals are required to submit a copy of their passport/ OCI/ Persons of Indian Origin (PIO) card, along with proof of overseas address, at the time of account opening.

10.3. Need for review: The OCI card features lifelong, multiple-entry visa for indefinite stay and travel in India. Therefore, such card holder can continue to reside in India for longer period. So while OCI card holder is residing in India and has proof of residence in India, but he/ she is still required to provide a proof of residence for overseas address.

10.4. Proposal: To simplify the on-boarding process for OCI card holder clients', the requirement of submitting proof of overseas address may be made optional. This is subject to the client submitting proof of residing in India for more than 182 days and the intermediary verifying the proof of address for India for such client.

10.5. Proposed amendment: The paragraph 20 of the KYC Master Circular, shall be replaced with the following:

*"For non-residents and foreign nationals (allowed to trade subject to RBI and FEMA guidelines), copy of passport/ Persons of Indian Origin (PIO) card/ Overseas Citizenship of India (OCI) card and overseas address proof is mandatory. However, for OCI card holders who are resident in India, the requirement of overseas address shall be optional, provided the clients provide proof of address for residing in India for more than 182 days."*

10.6. Applicability: The said provision shall come into effect from the date of issue of the circular.

11. **Relaxation on the requirement of submission of documents for name change:**

11.1. Background: At present, there is requirement to submit multiple documents as proof of name change, which may be onerous and time consuming for the client.

11.2. Extant regulatory provision: As per paragraph 19 of the KYC Master Circular, it is mandatory for a client to submit copy of a gazette notification or marriage certificate issued by the state government indicating change of name.

11.3. Need for review: Even if the client has updated change in his/ her name in the PAN and Aadhaar databases, as per extant regulatory framework, the client is required to submit additional documents as proof of name change while updating the KYC record with the intermediary.

11.4. Proposal: In order to ease the process for a client to update his/ her KYC record with any intermediary, he/ she should not be mandated to submit additional documents as proof of name change, if such name change has already been affected in the PAN and Aadhaar databases.

11.5. Proposed amendment: The paragraph 19 of the KYC Master Circular, shall be replaced with the following:

*“A document shall be deemed to an officially valid document even if there is a change in the name subsequent to its issuance provided it is supported by a Marriage Certificate issued by the State Government or a gazette notification, indicating such change of name.*

*However, the requirement of submitting the marriage certificate or gazette notification shall be optional if the client has already undertaken the name change in PAN and Aadhaar.”*

11.6. Applicability: The said provision shall come into effect from the date of issue of the circular.

## 12. Relaxation in source verification of current address:

12.1. Background: At present, all attributes of a KYC record have to be verified from the official sources by a KRA, for such KYC record to be tagged as “validated”.

12.2. Extant regulatory provision: In the account opening form, a client has to provide proof of address and current address.

As per paragraph 96 of the KYC Master Circular, a KRA is required to verify the name, address and Permanent Account Number (PAN) of a client within 2 days of receipt of the KYC record.

12.3. Need for review: As the account opening form gives an option to a client to provide two addresses viz. proof of address and current address, verification of both the addresses with official sources may not always be feasible for a KRA due to non-availability of technical solution for source validation of the addresses. This becomes especially relevant if the client has submitted a non-Aadhaar OVD (eg. passport, voter id, etc.) or deemed OVD (eg. utility bill, municipal tax receipt, etc.), as proof of current address.

12.4. Proposal: In order to ease the process of account opening for the client, intermediary and the KRA, source verification of current address of the client, by the KRA shall not be a pre-condition for tagging such KYC record as "validated", if the proof of address of such client is already source verified.

12.5. Proposed amendment: The paragraph 100 of the KYC Master Circular, shall be replaced with the following:

*"The records of a client in respect of which all attributes mentioned in para 96 (other than current address) have been verified by the KRA with official database (such as Income Tax Department database on PAN or Aadhaar XML/ Digilocker/ M-Aadhaar), such record shall be considered as Validated Record."*

12.6. Applicability: The said provision shall come into effect from the date of issue of the circular.

#### **V. Public Comments:**

13. A draft circular on, "***Simplification of client on-boarding and rationalisation of risk management framework at KYC Registration Agencies***" is placed at Annex - A. The comments/ suggestions should be submitted latest by February 06, 2026, through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

In case of any technical issue in submitting your comments through web based public comments form, you may write to [consultationMIRSD@sebi.gov.in](mailto:consultationMIRSD@sebi.gov.in) with the subject, "***Public comments on Draft Circular - Simplification of client on-boarding and rationalisation of risk management framework at KYC Registration Agencies***".

**Issued on: January 16, 2026**

**DRAFT CIRCULAR**

**SEBI/HO/MIRSD/SECFATF/P/CIR/20XX/XX**

**January XX, 2025**

**To,**

- 1. All intermediaries registered with SEBI under Section 12 of the Securities and Exchange Board of India Act, 1992;**
- 2. Recognised Stock Exchanges**

**Dear Sir/ Madam,**

**Subject: Simplification of client on-boarding and rationalisation of risk management framework at KYC Registration Agencies**

1. SEBI vide Master Circular SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 ('KYC Master Circular'), *inter-alia*, specified the Know Your Client (KYC) requirements and framework for validation of records by KYC Registration Agencies (KRAs) in the securities market.
2. To make the on-boarding process fully amendable with the needs of digital India, to ease client on-boarding and to re-engineer the existing risk management framework at KRAs, a working group was constituted comprising of members of Industry associations, Market Infrastructure Institutions (MIIs) and KRAs.
3. Based on the recommendations and suggestions received from the working group and in order to align the regulatory requirements with the provisions of Prevention of Money Laundering (Maintenance of Records) Rules, 2005, it has been decided to make certain modifications in the KYC process, as given below:
  - 3.1. The supplementary information which a client provides to its' intermediary at the time of on-boarding shall now be centralised at KRA level, to simplify on-boarding process when the same client approaches another intermediary.
  - 3.2. KRAs shall send prior intimation to the intermediaries reminding them to update KYC records of clients, upon attainment of 18 years of age, expiry of validity of an officially valid proof of address/ identity or if the KYC record has not been updated in the last 5 years. This shall help ensure that the KYCs records in the KRA system are updated and relevant.

- 3.3. Intermediaries shall update their records upon receipt of update in any KYC record from the KRA so as to avoid duplicity in efforts as well as easing the on-boarding process for the client.
- 3.4. An option shall now be available for the clients to provide alternate email id and phone number to the intermediary. The same shall also get verified and captured in the KRA system.
- 3.5. If a client mobile number available in the KRA system is seeded with Aadhaar, then verification of such mobile number shall be optional for the intermediary accessing the information from the KRA system.
- 3.6. Option for providing alternate email id and mobile number and easier mobile number verification requirement;
- 3.7. The intermediary shall within 3 working days from the date of account closure, inform the KRA, which shall in turn update its records, within 2 working days from the date of receipt of such information.
- 3.8. For OCI card holders who are resident in India, the requirement of overseas address shall be optional, provided the clients provide proof of address for residing in India for more than 182 days.
- 3.9. In order to ease documentation, a client shall no longer be required to submit proof of name change to an intermediary if he/ she has already got the necessary change affected in the PAN and Aadhaar.
- 3.10. In order to ease the process of account opening, if the proof of address of a client has already been source verified, then such KYC record can be tagged as “validated” and shared by the KRA with other intermediaries, even without source verification of the current address.

4. These measures are aimed at easing the process of account opening for clients' and intermediaries, ongoing due diligence as well as rationalising the risk management framework at KRAs.
5. In view of the above, the following changes shall be required in the KYC Master Circular:
  - 5.1. The paragraph 6 of the KYC Master Circular shall be replaced, with the following:

*“In Part II of the AOF, the intermediary shall collect the following additional information from the client at the time of on boarding, over and above the*

*information specific to the area of activity of the intermediary, as considered appropriate by them:*

- a. *CKYC ID, if available;*
- b. *DIGIPIN, if available;*
- c. *Expiry date of Officially Valid Document (OVD);*
- d. *Alternate mobile number and email id (optional)*”.

5.2. The paragraph 19 of the KYC Master Circular shall be replaced, with the following:

*“A document shall be deemed to an officially valid document even if there is a change in the name subsequent to its issuance provided it is supported by a Marriage Certificate issued by the State Government or a gazette notification, indicating such change of name.*

*However, the requirement of submitting the marriage certificate or gazette notification shall be optional if the client has already undertaken the name change in PAN and Aadhaar.”*

5.3. The paragraph 20 of the KYC Master Circular shall be replaced with the following:

*“For non-residents and foreign nationals (allowed to trade subject to RBI and FEMA guidelines), copy of passport/ Persons of Indian Origin (PIO) card/ Overseas Citizenship of India (OCI) card and overseas address proof is mandatory. However, for OCI card holders who are resident in India, the requirement of overseas address shall be optional, provided the clients provide proof of address for residing in India for more than 182 days.”*

5.4. The paragraph 84 of the KYC Master Circular shall be replaced with the following:

*“After doing the initial KYC of the new clients, the intermediary shall forthwith upload the below mentioned KYC information on the system of the KRA within 3 working days from the date of completion of KYC process:*

- a. *Part I of AOF (CIP Form in CKYCR template);*
- b. *The following information from Part II of AOF:*
  - i. *Income range;*
  - ii. *Net worth and date of net worth (optional);*
  - iii. *Place and country of birth;*

- iv. *Foreign Account Tax Compliance Act (FATCA) related information (as mentioned in SEBI Circular SEBI/HO/MIRSD/SECFATF/P/CIR/2024/12 dated February 20, 2024); and*
- v. *Politically Exposed Persons (PEP) status;*
- vi. *Occupation;*
- vii. *CKYC ID, if available;*
- viii. *DIGIPIN, if available;*
- ix. *Expiry date of Officially Valid Document (OVD); and*
- x. *Alternate mobile number and email id (optional).*

5.5. The paragraph 89A shall be incorporated in the KYC Master Circular, as given below:

*“The intermediaries shall update the KYC records of their clients, as per information received from the KRA under Regulation 15(f) of the KRA Regulations”.*

5.6. The paragraph 95A shall be incorporated in the KYC Master Circular, as given below:

*“The KRA shall send prior intimation to all the intermediaries which have fetched the KYC record from its system, if:*

- a. *the KYC information has not been updated in the last 5 years;*
- b. *the validity of the OVD in the KYC record has expired; or*
- c. *the KYC pertains to a minor which has attained 18 years of age.”*

5.7. The paragraph 95B shall be incorporated in the KYC Master Circular as given below:

*“The intermediary shall within 3 working days from the date of account closure by a client inform the KRA.”*

5.8. The paragraph 100 of the KYC Master Circular shall be replaced with the following:

*“The records of a client in respect of which all attributes mentioned in para 96 (other than current address) have been verified by the KRA with official database (such as Income Tax Department database on PAN or Aadhaar XML/ Digilocker/ M-Aadhaar), such record shall be considered as Validated Record.”*

5.9. The paragraph 104A shall be incorporated in the KYC Master Circular as given below:

*“KRA shall tag the records that it independently verifies and validates including information given under Para 84 (b).”*

5.10. The paragraph 104B shall be incorporated in the KYC Master Circular, as given below:

*“If the client mobile number is tagged by KRA as seeded with Aadhaar and verified, verification of such mobile number shall be optional for the intermediary accessing the information from the KRA system.”*

5.11. The paragraph 104C shall be incorporated in the KYC Master Circular, as given below:

*“The KRA shall within 2 working days from the date of receipt of information from the intermediary about KYC modification or account closure by a client, update/ delink the relevant KYC record, respectively”.*

6. The provisions of this Circular shall come into force with immediate effect. Additionally, the intermediaries shall ensure the following:

6.1. For existing KYC records, intermediaries shall upload the available supplementary information about the client on the KRA system, as mentioned at paragraph 5.4 above, within 6 months from the date of issue of this circular. Thereafter, KRA shall tag the records that it independently verifies and validates.

6.2. Within a period of 3 months from the date of issue of this circular, the intermediaries shall update the KYC records of existing clients in the KRA system, wherein the KYC record has not been updated in the last 5 years, client has attained 18 years of age or the validity of the officially valid proof of address/ identity has expired. The KRAs shall facilitate this process of updating of old records by intermediaries.

6.3. Within a period of 3 months from the date of issue of this circular, the intermediaries shall update the KRA system for the old client records which have been closed since.

7. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

8. This circular is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category, 'Legal → Circulars'.

Yours faithfully,

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