

CIRCULAR

SEBI/HO/MIRSD/SECFATF/P/CIR/2024/12

February 20, 2024

To,

Intermediaries registered with SEBI under Section 12 of the Securities and Exchange Board of India Act, 1992

Dear Sir/Madam,

Subject: Centralization of certifications under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) at KYC Registration Agencies (KRAs)

1. SEBI circulars CIR/MIRSD/2/2015 dated August 26, 2015 and CIR/MIRSD/3/2015 dated September 10, 2015, and guidance note on FATCA and CRS norms issued by the Department of Revenue, Ministry of Finance state that the reporting financial institution (RFI) [as defined under rule 114F(7) of Income Tax Rules, 1962] shall obtain a self-certification from the client, as part of the account opening documentation, to determine the client's residence for tax purpose.
2. In terms of rule 114G(11)(a) of Income Tax Rules, 1962, the regulators are, *inter alia*, required to issue necessary instructions and guidelines to provide the procedure and manner of maintaining the information by the reporting financial institution (RFI).
3. Based on feedback received from stakeholders in securities market, and for ease of doing business and compliance reporting, it is decided that the intermediaries, who are RFI, shall upload the FATCA and CRS certifications obtained from the clients onto the system of KRAs with effect from July 01, 2024.
4. The existing certifications obtained from clients prior to July 01, 2024 shall be uploaded by the intermediaries onto the systems of KRAs within a period of 90 days of implementation of this circular as mentioned above in para 3.

5. The onus of obtaining and reporting the FATCA and CRS certification and related compliances shall lie with the respective intermediaries.
6. The intermediary shall confirm the reasonableness of such certification based on the information obtained in respect of account opening, including any documentation obtained in accordance with Prevention of Money Laundering (Maintenance of Records) Rules, 2005 and shall update the self-certification, as and when, there is a change reported by the client.
7. The KRAs shall develop their systems/mechanism, in co-ordination with each other and shall follow uniform internal guidelines/standards, in consultation with SEBI.
8. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 17 of the SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
9. This circular is available at www.sebi.gov.in under the link "Legal --- Circulars".

Yours faithfully,

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