

Circular No.: NDML/POLICY/2024-0013

January 09, 2025

Usage of KRA System by SEBI Registered Intermediaries

As per the SEBI {KYC (Know Your Client) Registration Agency} Regulations,2011 all SEBI Registered Intermediaries (SRIs) use KRA system for performing various investor onboarding and servicing roles as envisaged in KRA Regulations and Rules / Instructions / Circulars related thereto. It is utmost important that usage of investor data should be done as per KRA Regulations for account-based relationships by SRIs.

It has come to the notice of KRAs that certain SRIs may be extending this access to other use segments such as to holders of AMFI Registration Numbers (ARNs) for Mutual Fund selling, marketing and distribution business which are not covered with SEBI Registration.

In this regard, it is clarified that:

- ❖ As stipulated under Regulation 16 of the SEBI {KYC (Know Your Client) Registration Agency} Regulations,2011 (“SEBI KRA Regulations”), SRIs are required to integrate their systems with the KRA's system for the seamless transfer and verification of Know Your Customer(“KYC”) documents, ensuring compliance with the KYC obligations. SRIs are mandated to perform initial KYC due diligence, upload KYC information with proper authentication to the KRA system.
- ❖ For mutual fund clients, the Registrar to an Issue and Share Transfer Agent appointed by the mutual fund is authorised to conduct initial KYC on behalf of the Asset Management Companies (AMCs) and upload the KYC information to the KRA system.
- ❖ Accordingly, ARN holders which are not registered with SEBI are restricted from using KRA system/APIs to create/fetch KYC records. This also includes the SEBI Registered Intermediaries (SRIs) who are also ARN holders which are restricted from using KRA system for activities other than for which they are registered with SEBI.

In case of any assistance/clarifications, SRIs can send email on info.kra@ndml.in or contact on 022-49142600/01/02/04/05/06.

Regards
Sd/-

Vijay Gupta
Executive Vice President