

Circular No.: NDML/POLICY/2022-0003

July 28, 2022

Sub: Circular detailing KYC Validation by KRA

Introduction

As per the SEBI circular dated April 6, 2022, the validation of attributes viz., Aadhaar details, PAN, Email and Mobile for all KYC records where Aadhaar record is submitted as a Proof of Address/OVD is required to be done by KRAs. Validation of records is applicable for new as well as existing records. This Circular explains the process flow for the same and system changes as may be applicable.

Flow for Validation of PAN, email ID, mobile number and KYC details

- I. SRI shall perform KYC as per the current compliant process and upload the KYC record to KRA.
- II. Email ID and Mobile Number fields shall be mandatory for KRA KYC. This is applicable for all KYC records irrespective of the use of Aadhaar or Non-Aadhaar OVD or Physical / Digital KYC mode or new KYC or modification.
- III. 'Transgender' is being added to the existing Gender Master
- IV. Additionally, in the case of Digilocker / Offline Aadhaar KYC, SRI needs to upload the digitally signed Digilocker XML/Aadhaar XML/PDF to KRA.
- V. Specific consent needs to be taken from investors for sharing the Aadhaar data and documents with KRA for validation purposes. This consent also needs to be declared on KYC Application Form. The shared documents and data shall be used by KRA to validate the KYC information.
 - a. For scan copy of the Aadhaar Card provided as an OVD, the Intermediary shall ensure that the QR code present in the document is readable to extract the data. If the QR code is not readable, then the KYC shall be placed as "Hold" with the relevant remarks.
 - b. Following Naming convention to be followed by Intermediary while sharing KYC documents:

Sr.	Document	Naming Convention
1.	The PDF file with a full set of KYC documents	<PANNUMBER>.PDF – as per existing practice but to ensure that Aadhaar QR Code is clear and readable
2.	Digilocker XML/Offline Aadhaar XML file	<PANNUMBER>.XML is an additional file to be uploaded and does not replace existing data/document upload. The XML issuance date should not be older than 3 days from the date of KYC submission by the Investor.

- VI. KRAs shall send separate OTPs to the investor's Email ID (email) and Mobile number (SMS) to validate the same.

Investor needs to validate their email id and mobile number by entering the OTP received from KRA by clicking on the link provided in the email and the SMS.

If OTP is not entered by the investor for validation of email ID and mobile number for KYC record uploaded to KRAs (both New and Modification), the mobile number and email ID shall be validated by KRAs based on delivery status of SMS or email as intimated vide SEBI approved FAQs published by KRAs in June 2022.

- VII. In the case of digital KYC modes (mode 1-5), PDF of KYC documents should be digitally signed by the investor. For any modification of existing KYC records, supporting documents with a verifiable E-sign is mandatory.

- VIII. All modification request needs to be supported with a verifiable e-Signed/Physically signed application form and other supporting documents (POI/POA). However, if modification request is being raised only for fields listed below, only KYC application form with verifiable e-Sign/Physical sign is required. Other supporting documents (POI/POA) are not required.

Type of KYC details	Individual Category of investor	Non-Individual -Category of investor
Identity Details	Father's/Spouse Name	--
	Marital Status	--
Address Details	Telephone Number	Telephone Number
	Mobile Number	Mobile Number
	Email ID	Email ID
	Fax	Fax
Other Details	Gross Annual Income Details/Net Worth	--
	Occupation	--
	PEP Status	--
	Any other Information	Any other Information

- IX. OTP based validation of Email and Mobile is optional for KYC processed with Non-Aadhaar OVD, however data submission of valid email and mobile is mandatory
- X. KYC Inquiry (IOP1) shall be having an additional tag 'Proof of Id' (both Original and Modified), to indicate whether the OVD of the KYC is Aadhaar/Non-Aadhaar OVD based.
- XI. A new status ("07") shall be added to the existing status codes of KYC. This status indicates the OVD of the KYC is Aadhaar and validated successfully. The list of common status codes across all KRA KYC.

Code	Description
01	UNDER_PROCESS
02	KYC REGISTERED
03	ON HOLD
04	KYC REJECTED
05	NOT AVAILABLE
06	DEACTIVATED
07	KYC VALIDATED
12	KYC REGISTERED
11	UNDER_PROCESS
13	ON HOLD
14	KYC REJECTED
22	MUTUAL FUND VERIFIED

- XII. Existing KYC verified status (“02”) shall continue to exist in the system
- XIII. Other tags for download/response to intermediaries from KRAs would continue to be the same as what is prevalent as on date
- XIV. For existing KYCs and KYCs raised with OVD as Non-Aadhaar, there is no change in the existing process of validation.
- XV. The effective date of implementation of the new KYC process shall be from 1st November 2022 or such other date as may be communicated by SEBI.

A table is enclosed for validation to be done by KRAs based on the type of OVDs marked below;

OVD	Validation of Email Address by KRAs	Validation of Mobile Number by KRAs	Validation of PAN by KRAs	Validation by KRAs of Aadhaar details which includes validation of Name, Gender, address, and photo)	Timelines for processing by KRAs post upload of KYC data and documents by SRI	Impact
Aadhaar XML file (Digilocker KYC, AADHAAR Offline Zip file KYC)	Yes	Yes	Yes	Yes	T+2 days (T is the date of receipt of KYC data and documents from SRI)	As per SEBI directions, SRI shall allow transactions only after the independent validation of KYC records is done by the concerned KRA
Aadhaar card/ PVC card/ eAADHAAR image with QR code (Normal KYC/ Online KYC)	Yes	Yes	Yes	Yes	T+2 days (T is the date of receipt of KYC data and documents from SRI)	As per SEBI directions, SRI shall allow transactions only after the independent validation of KYC records is done by the concerned KRA
Non-Aadhaar as OVD	Shall continue to be verified as per extant process by KRAs	Shall continue to be verified as per extant process by KRAs	Shall continue to be verified as per extant process by KRAs	Not applicable (non-Aadhaar document as OVD)	No change in TAT	Not applicable

For and on behalf of
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