

**KYC Registration Agency**
Circular**Circular No.: NDML/POLICY/2023-0012****December 29, 2023****Sub: Validation of Existing Non- Aadhaar KYC records by KRAs**

SEBI vide its Circular dated August 11, 2023 had advised regarding validation of all KYC records and provided a timeline of 90 days from Sep 1, 2023 for KRAs to validate all existing Non Aadhaar KYC records. This date was later revised by Master circular on KYC norms issued by SEBI vide ref. no. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 from **November 30, 2023 to December 31, 2023**.

In this regard, SEBI vide its email dated December 28, 2023 has informed that considering the representations from Industry Bodies and to facilitate the investors, the said deadline date has been further extended from **December 31, 2023 to March 31, 2024**.

1. It may be noted that NDML KRA has completed the validation of all Non Aadhaar based OVD records for ITD Validation (including Aadhaar Seeding check) and Email / Mobile Validation.
2. All records which are not meeting ITD Validation (including PAN Aadhaar Seeding check) have already been put **“On hold”** and SEBI Registered Intermediaries (SRIs) may advise such investors to complete the PAN Aadhaar seeding and till such time restrict their market access as per SEBI direction in this regard.
3. Details of all other investors where email / mobile validation could not be completed are been shared with all SRIs for either submitting modification request for correcting / updating investor details or advising the investor to ensure the validation.
4. As part of this exercise, KRAs will also review the KYC documents lodged for the investor and if some non OVD /deemed OVD documents were used, SRIs are requested to perform

re-KYC and collect proper OVDs as per SEBI KYC guidelines in this regard. The relevant details for such cases will be shared by NDML KRA with SRIs shortly.

Few specific points for implementation of SEBI Master Circular on KYC by deadline of March 31, 2024 are provided below:

- A. The existing KYC records (KYC records uploaded to KRA till August 31, 2023) where Proof of Address (POA) is any Officially Valid Document (OVD) other than AADHAAR as mentioned in point no 14 (a) of Section 1 of abovesaid SEBI Master Circular dated October 12, 2023 are categorised as non AADHAAR based KYC records.

For such non AADHAAR based KYC records in status “**KYC Registered**” the verification of attributes as provided in point no 96 of Section 1 of SEBI Master Circular has been completed at NDML KRA and the validation of email ID and mobile number in such KYC records has also commenced from October 2023 by NDML KRA as provided in point no 97 of Section 1 of SEBI Master Circular.

It may be noted that NDML KRA will perform the verification as per directions in SEBI circular for the said records, however for KYC records which cannot be verified, the status of such KYC record will be marked as “**On hold**” w.e.f. **April 1, 2024** and such PANs will also be informed to MIIs. The list of such records which may be put “**On hold**” is being regularly shared among KRAs & with SRIs & MF RTAs for facilitating investors to provide updation in KYC records, where necessary.

- B. There are KYC records in NDML KRA where the Proof of Address (POA) uploaded by SRIs is a non OVD i.e. not from the list of OVDs as defined as per Rule 2 (d) of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (PML Rules) and as specified in point no 14 (a) of Section 1 of abovesaid SEBI Master Circular dated October 12, 2023.

SRIs are requested to upload modification requests for KYC records of investors serviced held in category of “**Resident Individuals**” where POA is uploaded as a non OVD or a deemed OVD as per PML Rules and upload the POA as a OVD as provided vide point no. 14 (a) of Section 1 of

abovesaid SEBI Master Circular dated October 12, 2023. NDML KRA will perform the verification of attributes as per point no 96 and 97 of Section 1 of SEBI Master Circular on KYC.

It may be noted that KYC records where the POA is a non OVD or a deemed OVD and does not have a OVD as specified in in point no 14 (a) of Section 1 of abovesaid SEBI Master Circular dated October 12, 2023 will be marked “**On hold**” wef April 1, 2024 based on which MIIs would limit market/transactional access to such KYC holders.

In case of any assistance, please contact NDML KRA helpdesk on 022 – 4914 2600/01/02/04/05/06 or send email on info.kra@nsdl.com

For and on behalf of NSDL Database Management Limited

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Vijay Gupta
Senior Vice President