

## KRA CIRCULAR

KARVY/OPS/INTERM/GENRL/23-01

November 30, 2023

### **KRA Circular with reference to SEBI Master Circular relating to Know Your Client (KYC) norms for the securities market**

- This is with reference to the SEBI Master circular bearing reference no. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 on (KYC) norms for the securities market. SRIs are requested to kindly take note of the following and ensure smooth implementation:
  1. **Fresh registration of KYCs:** The SRIs, shall verify the PAN of their clients online at the Income Tax website and maintain the validation logs instead of insisting on the PAN card copy. Thus, scanned copy of PAN or PAN fetched from Digi locker is not required to be uploaded to KRA by SRIs.
  2. **Modification KYCs:** In case of a change of name or date of birth of PAN /KYC holder, an updated PAN, (scanned copy) or PAN fetched from Digilocker (Digitally signed by Digilocker) is to be mandatorily uploaded to the KRA by SRIs along with marriage certificate, as issued by the State Government or a gazette notification, indicating such a change of name/date of birth, as applicable. If applicant name or date of birth is NOT being changed in the KRA, PAN copy need not be uploaded to the KRA during KYC modification.
  3. KRAs would verify PAN(including PAN Aadhaar linkage), Name, Address, email id and mobile number. KYC status where all the attributes mentioned above are verified with official databases would be updated as 'KYC Validated'. KYCs, where any of the attributes mentioned cannot be verified with official databases would be updated as 'KYC Registered'.
  4. For KYC records in the KRA system in Registered status, transactions will continue to be allowed by the SRI as per the SEBI Master Circular. However, SRI who is onboarding a new investor with a KYC in Registered status would need to fetch the KYC record from the KRA, perform a re-KYC and submit a modification request with all supporting documents to the KRA for getting the KYC Validated/Registered. If the modification request is put 'On Hold' / 'Rejected' by

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KRA, the SRI shall not allow them to transact further in the securities market till the KYC status gets 'Registered' or 'Validated'.

5. With effect from January 01, 2024, Non Aadhaar records where email id/mobile number cannot be validated would be put on 'Hold'.
- Further, with effect from January 01, 2024, for fresh registration of KYCs under physical /normal mode (KRA mode '0' and '3') where the investor submits Aadhaar as OVD, the QR code must be valid and readable to enable Aadhaar validation. KYC records with invalid QR code or where the QR code is not readable would be updated as 'KYC Registered'
  - Conditions for KYC status to be updated as 'KYC Validated'.
    - i. Address is validated from source. (Currently only Aadhaar based KYCs).
    - ii. For KYC mode '0' and '3' processed with Aadhaar as OVD, the Aadhaar QR code needs to be readable.
    - iii. PAN status is validated from source.
    - iv. PAN and Aadhaar are linked (wherever applicable).
  - Intermediary queries related to this communicate may be addressed to [kra@karvy.com](mailto:kra@karvy.com) or contact KARVY helpdesk 8121096850/8019355102.

Regards

Sd/-

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Compliance Officer.