



CDSL VENTURES LIMITED

....Exploring New Horizons
KRA COMMUNIQUÉ

CVL/OPS/INTERM/GENRL/12-024

June 19, 2012

KYC OF EXISTING CLIENTS

Intermediaries are advised to refer to SEBI Circular no. **MIRSD/CIR-5/2012** dated **April 13, 2012** (Annexure 1) and our communiqué no. **CVL/OPS/INTERIM/GENRL/12-022** dated **June 09, 2012** pertaining to updation of existing Mutual Fund (MF) client KYC details with CVL-KRA.

Intermediaries are advised to note that KYC details of their existing clients can be entered online through the **Old KYC Entry** option under the **KYC** menu (**KYC → Old KYC Entry**) or uploaded through the **KYC Bulk Upload** option under the **KYC** menu. KYCs already registered in CVL KRA cannot be entered again through the above mentioned option. All other regulations and procedures pertaining to new KYC entry and dispatch would be applicable for existing client information entered online/uploaded in CVL-KRA.

The following dates are mandatory for existing client information entered online/uploaded by the intermediary under the **Old KYC Entry**:

- a. **Setup Date:** the date on which the client details were received/entered by the intermediary.
- b. **Activation Date:** the date on which the client was activated / enabled by the intermediary in the stock-exchange / depository system to carry out all transactions.
- c. **Modification Date:** the date on which the KYC details of the client were last modified.

The existing clients KYC would have to be updated in the **Old KYC Entry** by the intermediary as and when a transaction as mentioned below has been executed by the client.

Depository Transactions:

1. Dematerialisation / Rematerialisation Requests.
2. Change of Address / demographic details.
3. Debit instruction on client request.
4. Transmission (surviving holder on the demat account).
5. Freeze / Unfreeze Request.
6. Pledge / Unpledge Request.
7. Any other transactions as intimated by the depository.

Stock Exchange Transactions:

1. Buy / Sale Order.
2. Subscription / Redemption Order.
3. Change of Address or Demographic details.
4. Any other transactions as intimated by the stock exchange.



CDSL VENTURES LIMITED

....Exploring New Horizons

KRA COMMUNIQUÉ

The procedure to send the documentation to the KRA would be intimated separately.

The updated upload/download file structure for uploading/downloading the KYC details can be obtained from the **File Structures** option under the **Downloads** menu.

Queries regarding this communiqué may be addressed to:

CVL– Helpdesk on (022) 61216908 / 09 / 10 / 11 / 12 / 25

Emails may be sent to: cvlhelpdesk@cdslindia.com

Sanjeev Kate
Compliance Officer



CIRCULAR

MIRSD/ Cir-5 /2012

April 13, 2012

SEBI Registered Intermediaries -

**KYC Registration Agencies (KRAs),
Stock Brokers through Stock Exchanges,
Depository Participants (DPs) through Depositories,
Mutual Funds (MFs)
Portfolio Managers (PMs)
Venture Capital Funds (VCFs)
Collective Investment Schemes (CIS),**

Association of Mutual Funds in India (AMFI)

Dear Sir,

Subject: Uploading of the existing clients' KYC details in the KYC Registration Agency (KRA) system by the intermediaries

Please refer to SEBI circular no. CIR/MIRSD/16/2011 dated August 22, 2011, MIRSD/SE/Cir-21/2011 dated October 5, 2011, MIRSD/Cir-23/2011 dated December 2, 2011 and MIRSD/Cir- 26 /2011 dated December 23, 2011 on KYC related issues.

1. SEBI simplified the account opening process for investors and made it uniform across intermediaries in the securities markets vide aforementioned circulars. Further, to avoid duplication of KYC process with every intermediary, KRA system was developed for centralization of the KYC records in the securities markets. The system was made applicable for new clients who opened accounts with the intermediaries from January 1, 2012.
2. Now, for convenience of the clients registered prior to January 1, 2012 (hereinafter referred to as 'existing clients') and to expand the centralized database of the KYC records of the entire securities market, it is decided to upload the KYC details of the existing clients of the intermediaries in the current KRA system, in a phased manner.
3. The following guidelines for uploading the KYC data of the existing clients are being issued in consultation with the major Stock Exchanges, Depositories, KRAs, AMFI Brokers' Associations and market participants:
 - a. For existing clients who trade / invest / deal with the intermediary anytime during the time period specified in the table given below starting from April 16, 2012, the intermediaries shall forthwith upload their KYC details in the KRA system. They shall also send original KYC documents to the KRA on continuous basis and complete the process within the prescribed time limits.

Considering the representations made by the intermediaries, they may send print outs of scanned documents to the KRAs instead of original documents in accordance with the schedule, certifying that they have retained the originals.

However, they must complete the process of sending the original documents to the KRA by March 31, 2013.

The KRAs shall update their systems and send letters to the clients for the receipt of the initial / updated KYC documents from intermediary in accordance with the time schedule.

The intermediaries shall maintain electronic records of the KYCs of their clients and keeping physical records would not be necessary.

Schedule for implementation (For the year 2012-13):

Existing clients of intermediary who trade/ invest/ deal with it during the below mentioned time period	Timeline for intermediary to upload existing client's KYC data on KRA system & send KYC documents to KRA	Timeline for KRA to update the record in their system & send acknowledgement to the existing client
April 16, 2012 – June 15, 2012	August 31, 2012	September 30, 2012
June 16, 2012 - August 31, 2012	October 31, 2012	November 30, 2012
September 1, 2012 - October 31, 2012	November 30, 2012	December 31, 2012
November 1, 2012 - December 31, 2012	January 31, 2013	February 28, 2013
January 1, 2013 - February 28, 2013	March 15, 2013	March 31, 2013

The KYC data of the existing clients, who trade / invest or deal after the above mentioned schedule, shall be uploaded on a continuous basis.

- b. While uploading the existing clients' KYC details in the KRA system, the intermediary shall indicate the date of account opening / activation / updation of information. Necessary provisions shall be made by the KRAs in their systems. In case the KRA system indicates that the client's KYC data already exists, the other intermediary shall upload the modifications, if any, after the aforesaid date so that the latest information about the client is available on the KRA system.
- c. The intermediary shall highlight the KYC details about the existing client which is missing / not available, as per the KYC requirements specified vide circular dated October 5, 2011, only if it was not mandated earlier, when the client's account was opened. KRAs shall make necessary provisions in their systems to categorize the



KYC of such clients under the category of existing clients and highlight the information which is missing / not available.

- d. When the existing client approaches another intermediary, it shall be the responsibility of that intermediary which downloads the data of that client from the KRA system, to update the missing information, do IPV as per requirements (if not done already) and send the relevant supporting documents, if any, to the KRA. Thereafter, the KRA system shall indicate the records as updated.
4. It is clarified that timelines mentioned in the schedule are the minimum requirements and the KYC data of the remaining existing clients can also be uploaded on the KRA system.
5. The Stock Exchanges and Depositories are directed to:
 - a. bring the provisions of this circular to the notice of the Stock Brokers and DPs, as the case may be, and also disseminate the same on their websites;
 - b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in co-ordination with one another, as considered necessary;
 - c. monitor the compliance of this circular through half-yearly internal audits and inspections; and
 - d. communicate to SEBI, the status of the implementation of the provisions of this circular.
6. in case of mutual funds, compliance of this circular shall be monitored by the Boards of Asset Management Companies and the Trustees and in case of other intermediaries by their the Board of Directors.
7. This circular is 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.

Yours faithfully,

A. S. Mithwani
Deputy General Manager
022-26449613
email: aliasgarm@sebi.gov.in