THE GAZETTE OF INDIA

EXTRAORDINARY

PART – III – SECTION 4

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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 02nd December, 2011

SECURITIES AND EXCHANGE BOARD OF INDIA

{KYC (Know Your Client) REGISTRATION AGENCY} REGULATIONS, 2011

IndiaCode

No. LAD-NRO/GN/2011-12/29/36772—In exercise of the powers conferred by section 30 of the

Securities and Exchange Board of India Act, 1992 (15 of 1992) the Securities and Exchange Board of India hereby makes the following regulations, namely: -

CHAPTER I

PRELIMINARY

Short title & commencement

1. (1) These regulations may be called the Securities and Exchange Board of India {KYC (Know Your Client) REGISTRATION AGENCY} Regulations, 2011.

   (2) They shall come into force on the date of their publication in the Official Gazette.

Definitions

2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below -

   (a) ‘‘Act’’ means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

   (b) “Board” means the Securities and Exchange Board of India established under section 3 of the Act;

   (c) “Certificate” means a certificate of registration granted by the Board under these regulations;

(d) “Client” means a person seeking to do/has done his KYC through intermediary with KRA;

(e) ‘‘Inspecting authority’’ means any one or more person appointed by the Board to exercise powers conferred under chapter IV;

(f) “Intermediary” means an entity associated with securities market and registered under sub-section (1A), (1B) and (1) of Section 12 of the Act; who is required to do KYC of its clients;

(g) “Intermediaries Regulations’’ means Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(h) “KYC Registration Agency (KRA)” is a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under these regulations which hereinafter shall be deemed to be an intermediary in terms of the provisions of the Act;

(i) ‘‘KYC’’ means the procedure prescribed by the Board for identifying and verifying the Proof of Address, Proof of Identity and compliance with rules, regulations, guidelines and circulars issued by the Board or any other authority for Prevention of Money Laundering from time to time;

(j) “Operating Instructions” means operating instructions made by a KRA under Regulation 15;

(k) “Rules’’ means Prevention of Money Laundering Rules, 2005;

(l) “Prescribed” means prescribed by a general or special order or circular issued under the Act or these regulations.

(2) All other words and expressions used but not defined in these regulations shall have the same meaning as have been assigned to them under the Act or the Securities Contracts (Regulation) Act, 1956, (42 of 1956) or the Companies Act, 1956 (1 of 1956), or Prevention of Money Laundering Act (PML), 2005 or the PML Rules, 2005 or any statutory modification or reenactment thereto, as the case may be.

CHAPTER II

REGISTRATION OF KRA

Application for grant of certificate of [1][***] registration

3. An application for the grant of a certificate of registration as a KRA shall be made to the Board in Form as specified in Schedule I and shall be accompanied by such fees and in such manner as specified in Schedule II of these regulations.

Application to conform to the requirements

[1] The word “initial” was omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

4. An application, which is not complete in all respects and does not conform to the instructions prescribed in the Form and the requirements specified therein or the information, is false or misleading in any manner shall be rejected by the Board.

Provided that before rejecting any such application, the applicant shall be given, in writing, an opportunity to remove, within thirty days of the date of communication in this regard, such objections as may be indicated by the Board.

Notwithstanding anything contained in the first proviso, the Board may, on being satisfied that it is necessary, extend the time period by such further time, as it deems fit, in order to enable the applicant to remove the objections indicated by the Board.

Furnishing of information, clarification and personal representation

5. (1) The Board may require the applicant to furnish such further information or documents or clarifications as the Board considers necessary for the purpose of consideration of the application.

(2) The applicant or his authorized representative shall, if so required, appear before the Board for personal representation in connection with the grant of certificate of registration.

Consideration of application for grant of certificate of [2][***] registration

6. (1) The Board shall not consider an application, unless the applicant is a fit and proper person to the satisfaction of the Board and belongs to one of the following categories, namely:

(a) a wholly owned subsidiary of a recognized stock exchange, having nation-wide network of trading terminals, or;

(b) a wholly owned subsidiary of a depository or any other intermediary registered with the Board or;

(c) a wholly owned subsidiary of a Self Regulatory Organization (SRO) registered under SEBI (Self Regulatory Organization) Regulations, 2004,

Provided that any conflict of interest does not exist between the role of the applicant as KRA and other commercial activities of the applicant, its associates and group companies.

Provided further that the applicant shall have to satisfy to the Board about the organizational capabilities, technology and systems and safeguards for maintaining data privacy and preventing unauthorized sharing of data.

Notwithstanding the aforementioned, the Board shall have the power to examine any possible case of conflict of interest in applications.

(2) The applicant as mentioned in sub regulation (a) to (c) of regulation 6(1) above shall have a net worth of at least Rs 25 crore on a continuous basis.

Grant of certificate of [3][***] registration

[2] The word "initial" was omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

[3] The word "initial" was omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

7. (1) The Board, on being satisfied that the applicant is eligible, shall send intimation to that effect to the applicant, for the grant of certificate o[4]f [***] registration, and grant a certificate in the Form as specified in Schedule I.

[5][(1A) The KRA which has already been granted certificate of registration by the Board, prior to the commencement of the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2016 shall be deemed to have been granted a certificate of registration, in terms of sub-regulation (1).]

[6][(2) The certificate of registration granted under sub-regulation (1) shall be valid unless it is suspended or cancelled by the Board.]

(3) The grant of certificate of [7][***] registration shall be subject to the payment of such fees and in such manner as specified in Schedule II of these regulations.

[8][(4) The KRA shall immediately intimate the Board, details of changes that have taken place in the information that was submitted, while seeking registration.]

8. [9][***]

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[4] The word "initial" was omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

[5] Inserted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

[6] Substituted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016. Prior to substitution, it sub-regulation (2) read as under:

"(2) The certificate of initial registration granted under sub-regulation (1) shall be valid for a period of five years from the date of its issue to the applicant."

[7] The word "initial" was omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

[8] Inserted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

[9] Omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016. Prior to omission regulation 8 read as under:

"**Grant of certificate of permanent registration**

8. (1) The KRA which has been granted a certificate of initial registration under regulation 7 may, three months before the expiry of the period of certificate of initial registration, make an application for grant of certificate of permanent registration in the Form as specified in Schedule I.

(2) An application under sub-regulation (1) shall be accompanied by such fees and in such manner as specified in Schedule II of these regulations.

(3) The application for grant of a certificate of permanent registration shall be accompanied by details of the changes that have taken place in the information that was submitted to the Board while seeking initial registration, as the case may be, and a declaration stating that no changes other than those as mentioned in such details have taken place.

(4) The application for permanent registration made under sub-regulation (1) shall be dealt with in the same manner as if, it were a fresh application for grant of a certificate of initial registration.

(5) The Board, on being satisfied that the applicant is eligible, shall send intimation to that effect, to the applicant and shall grant a certificate of permanent registration in the format as specified in Schedule I.

(6) The grant of certificate of permanent registration shall be subject to payment of such fees and in such manner as specified in Schedule II of these regulations."

Criteria for fit and proper person

9. For the purpose of determining whether an applicant is a fit and proper person, the Board may take into account the criteria specified in Schedule II of Intermediaries Regulations.

KRA to abide by code of conduct

10. The KRA holding a certificate of registration shall at all times abide by the Code of Conduct as specified in Schedule III of these regulations.

Procedure where certificate of registration is not granted

11. (1) Where an application for the grant of certificate of [10][***] registration does not satisfy the requirements specified in regulation 6 & 9, the Board shall reject the application after giving the applicant an opportunity of being heard.

(2) The decision of the Board to reject the application shall be communicated to the applicant in writing within thirty days of such decision, stating therein the grounds on which the application has been rejected.

(3) Any applicant, aggrieved by the decision of the Board, may apply within a period of thirty days from the date of receipt of such intimation to the Board for reconsideration of its decision.

(4) The Board shall reconsider an application made under sub-regulation (3) and

communicate its decision thereon, as soon as possible in writing to the applicant.

12. [11][***]

Surrender of certificate of registration

13. **(**1) A KRA, who has been granted a certificate of registration under the Act or the regulationsmade there under, desirous of giving up its activity and surrender the certificate, may make arequest for such surrender to the Board.

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[10] The words "initial or permanent" omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016. Prior to substitution, it sub-regulation (2) read as under:

[11] Omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016. Prior to omission regulation 12 read as under:

"**Effect of refusal to grant certificate of permanent registration**

12. A KRA whose application for grant of certificate of permanent registration has been refused by the Board, on and from the date of the receipt of the communication, shall cease to carry on any activity as a KRA;

Provided that the Board may, in the interest of the investors of the securities market, permit KRA to carry on activities undertaken prior to the receipt of the intimation of refusal subject to such condition as the Board may specify."

(2) While disposing a surrender request under these regulations, the Board may require theKRA to satisfy the Board about the factors, as it deems fit, including but not limited to thefollowing –

a. the arrangements made by KRA for maintenance and preservation of records and

other documents required to be maintained under these regulations;

b. redressal of investor grievances;

c. transfer of records of its clients;

d. the arrangements made by it for ensuring continuity of service to the clients;

e. defaults or pending action, if any.

(3) While accepting the surrender, the Board may impose such conditions upon the KRA, as itdeems fit, for protection of the interests of investors and the securities market, and such personshall comply with such conditions.

(4) On and from the date of the surrender or cancellation of the certificate, the KRA shall-

(a) return the certificate of registration so cancelled to the Board and shall not representitself to be a holder of the certificate for carrying out the activity for which suchcertificate had been granted;

(b) cease to carry on any activity in respect of which the certificate had been granted;

(c) transfer its activities to another entity holding a valid certificate of registration tocarry on such activity and allow its clients to withdraw any assignment given to it,without any additional cost to such client;

(d) make provisions as regards liability incurred or assumed by it;

(e) take such other action including the action relating to any records or documents thatmay be in custody or control of such person, within the time period and in themanner, as may be required under the these regulations, or as may be directed by theBoard.

CHAPTER III

FUNCTIONS AND OBLIGATIONS OF KRA AND INTERMEDIARY

Documents to be obtained by the KRA for the purpose of KYC

14. The KRA shall obtain the KYC documents of the client from the intermediary; as prescribedby the Board and in terms of the rules, regulations, guidelines and circulars issued by theBoard or any other authority for Prevention of Money Laundering, from time to time.

Functions and obligations of the KRA

15. The KRA has the following functions and obligations –

(a) KRA may prepare the Operating Instructions in co-ordination with other KRA(s) andissue the same to implement the requirements of these regulations.

(b) KRA(s) shall have electronic connectivity and with other KRA(s) in order to establishinter-operability among KRAs.

Explanation: Inter-operability means the ability of the KRA to determine whetherthe KYC documents of the client are in the custody of another KRA.

(c) KRA shall have a secure data transmission link with other KRA(s) and with eachintermediary that uploads the KYC documents on its system and relies upon its data.

(d) KRA shall be responsible for storing, safeguarding and retrieving the KYCdocuments and submit to the Board or any other statutory authority as and whenrequired.

(e) KRA shall retain the [12][] KYC documents of the client, in [13][]electronic form for the period specified by Rules, as well as ensuring that retrieval ofKYC information is facilitated within stipulated time period.

(f) Any information updated about a client shall be disseminated by KRA to allintermediaries that avail of the services of the KRA in respect of that client.

(g) KRA shall ensure that the integrity of the automatic data processing systems forelectronic records is maintained at all times.

(h) KRA shall take all precautions necessary to ensure that the KYC documents/recordsare not lost, destroyed or tampered with and that sufficient back up of electronicrecords is available at all times at a different place.

(i) KRA shall have adequate mechanisms for the purposes of reviewing, monitoring andevaluating its controls, systems, procedures and safeguards.

(j) KRA shall cause an audit of its controls, systems, procedures and safeguards to becarried out periodically and take corrective actions for deficiencies, if any and reportto Board.

(k) KRA shall take all reasonable measures to prevent unauthorized access to its databaseand have audit of its systems and procedures at regular intervals as prescribed by the

Board.

(l) KRA shall have checks built in its system so that an intermediary can access theinformation only for the clients who approach him.

(m)KRA shall appoint a compliance officer who shall be responsible for monitoring thecompliance of the Act, rules and regulations, notifications, guidelines, instructions,etc., issued by the Board or the Central Government and for redressal of client'sgrievances. The compliance officer shall immediately and independently report to theBoard any non-compliance observed by him.

(n) KRA shall send a letter to each client after receipt of the KYC documents from theintermediary, confirming the client's details thereof.

(o) KRA shall take adequate steps for redressal of the grievances of the clients within onemonth of the date of receipt of the complaint and keep the Board informed about thenumber, nature and other particulars of the complaints from such investors.

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[12] Omitted by SEBI {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2013 w.e.f. 22-03-2013.

[13] ibid.

Functions and obligations of an Intermediary

16. The Intermediary has the following functions and obligations –

[14][(a) The intermediary shall perform the initial KYC/due diligence of the client, upload the KYC information with proper authentication on the system of the KRA, furnish the scanned images of the KYC documents to the KRA, and retain the physical KYC documents:

Provided that in the case of clients of a mutual fund, the Registrar to an Issue and Share Transfer Agent appointed by the mutual fund may perform the initial KYC/due diligence of the client, upload the KYC information with proper authentication on the system of the KRA, and furnish the scanned images of KYC documents to the KRA.]

[15][(aa) The intermediary or the mutual fund, as the case may be, shall furnish the physical KYC documents or authenticated copies thereof to the KRA, whenever so desired by the KRA.]

[16][(b) When the client approaches another intermediary subsequently, the intermediary shall verify and download the client's details from the system of KRA:

Provided that upon receipt of information on change in KYC details and status of the clients by the intermediary or when it comes to the knowledge of the intermediary, at any stage, the intermediary shall be responsible for uploading the updated information on the system of KRA and retaining the physical documents.

(c) An intermediary shall not use the KYC data of a client obtained from the KRA forpurposes other than it is meant for; nor shall it make any commercial gain by sharingthe same with any third party including its affiliates or associates.

(d) The intermediary shall have the ultimate responsibility for the KYC of its clients, byundertaking enhanced KYC measures commensurate with the risk profile of itsclients.

[17][Sharing of KYC information in the financial sector.

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[14] Substituted by the SEBI {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2013 w.e.f. 22-03-2013 for the following:
(a) The intermediary shall perform the initial KYC/due diligence of the client, shall upload the KYC information on the system of the KRA and send the original KYC documents to KRA forthwith from the date of account opening or within the time as prescribed by the board from time to time. However, in case of mutual funds, an RTA appointed by the mutual fund may also undertake the KYC of the client and send the original documents to the mutual fund or KRA.

[15] Inserted by the SEBI {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2013 w.e.f. 22-03-2013

[16] Substituted by the SEBI {KYC(Know Your Client) Registration Agency} (Amendment) Regulations, 2014 w.e.f. 13-03-2014 for the following:
(b) When the client approaches another intermediary subsequently, it will be optional for the intermediary to verify and download the client's details from the system of KRA or to take fresh KYC as per existing system. However, upon receipt of information on change in KYC details and status of the clients by the intermediary or when it comes to the knowledge of the intermediary, at any stage, the intermediary shall be responsible for uploading the updated information on the system of KRA and [16][retaining the physical documents].

[17] Inserted by the SEBI {KYC (Know Your Client) Registration Agency} (Second Amendment) Regulations, 2014, w.e.f. 11-8-2014.

16A. (1) The entities, regulated by other regulators in the financial sector specified by the Board from time to time, may access the system of KRA for undertaking KYC of their clients who engage them for financial services.

(2) The provisions of these regulations shall, mutatis mutandis, apply to the entities regulated by other regulators specified in sub-regulation (1).

(3) The system of KRA may be connected with any central KYC registry authorised by the Central Government for the purpose of collation and sharing of the KYC information in the financial sector.]

Power of the Board to issue clarifications

17. In order to remove any difficulties in the application or interpretation of these regulations,the Board shall have the power to issue clarifications and guidelines in the form of notes orcirculars which shall be binding on the KRA and the intermediaries.

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CHAPTER IV

INSPECTION of KRA

Board's right to inspect

18. (1) The Board may appoint one or more persons as inspecting authority to undertakeinspection of the books of accounts, records, documents, infrastructure, systems andprocedures, of a KRA, for any purpose specified in sub-regulation (2).

(2) The Board may inspect a KRA for the following purposes:

(a) that the books of accounts, records and KYC documents, as prescribed by the Board,are being maintained by the KRA;

(b) to look into the complaints received by the KRA from clients or any other person;

(c) to ascertain whether the provisions of the Act and these regulations are beingcomplied with;

(d) to ascertain whether the systems, procedures and safeguards being followed by aKRA are adequate;

(e) to ensure that privacy of clients' data is maintained and the same is not shared withany other agency/associates in violation of these regulations;

(f) to ensure that the affairs of a KRA are being conducted in a manner which are in theinterest of the investors and securities market.

Notice before inspection

19. (1) Before undertaking an inspection under regulation 19, the Board shall give not less than10 days notice to the KRA, for that purpose.

(2) Notwithstanding anything contained in sub-regulation (1), where the Board is satisfiedthat in the interest of the investors no such notice should be given, it may, by an order inwriting direct that the inspection of the affairs of the KRA be taken up without such notice.

(3) On being empowered by the Board, the inspecting authority shall undertake inspectionand the KRA against whom an inspection is being carried out shall be bound to discharge hisobligations as provided under regulation 20.

Obligations upon inspection by the Board

20. (1) It shall be the duty of the KRA whose affairs are being inspected, and of every director,officer and employee thereof, to produce to the inspecting authority such books, accounts,records and other documents in its custody or control and furnish him with such statementsand information relating to its activities as a KRA, within such reasonable period as theinspecting authority may require.

(2) The KRA shall allow the inspecting authority to have reasonable access to the premisesoccupied by it or by any other person on their behalf and also extend reasonable facility forexamining any books, records, documents and computer data in the possession of the KRA or

any other person on their behalf and also provide copies of the documents or other materialswhich, in the opinion of the inspecting authority are relevant for the purposes of theinspection.

(3) The inspecting authority, in the course of inspection, shall be entitled to examine or torecord the statements of any director, officer or employee of the KRA.

(4) It shall be the duty of every director, officer or employee of the KRA to give to theinspecting authority all assistance in connection with the inspection, which the inspectingauthority may reasonably require.

Submission of Report to the Board

21. The inspecting authority shall, as soon as possible, on completion of the inspection, submit areport to the Board:

Provided that if directed to do so by the Board the inspecting authority shall submit interim

reports.

Communication of findings, etc.

22. (1) The Board shall, after consideration of the inspection report, communicate the findings ofthe inspecting authority to the KRA, seek its comments on the same and if required, give itan opportunity of being heard.

(2) On receipt of the reply, if any, from the KRA, the Board may call upon him to take suchmeasures, as the Board may deem fit, in the interest of the securities market and for duecompliance with the provisions of the Act, and these regulations.

Action on inspection report

23. The Board shall after consideration of the inspection report take such action as providedunder Chapter V of the Intermediaries Regulations and in terms of the Act.

Appointment of Auditor

24. (1) The Board shall have the power to appoint a qualified independent auditor to inspect, intothe books of accounts, records, documents, infrastructures, systems and procedures of aKRA.

(2) The Board shall be entitled to recover from the KRA such expenses including fees paid tothe auditors, as may be incurred by it for the purposes of inspecting the books of accounts,records, documents, infrastructures, systems and procedures of the KRA.

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CHAPTER V

PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for action in case of default

25. A KRA shall be liable for action if it –

(a) contravenes any of the provisions of the Act, and these regulations;

(b) fails to furnish any information relating to its activity as a KRA as required underthese regulations;

(c) does not co-operate in any inspection or investigation or enquiry conducted by theBoard;

(d) fails to comply with any direction of the Board;

(e) fails to pay the requisite fees to the Board;

and shall be dealt with in the manner provided under the Chapter V of the Intermediaries Regulations.

SCHEDULE I

SECURITIES AND EXCHANGE BOARD OF INDIA

{KYC (KNOW YOUR CLIENT) REGISTRATION AGENCY} REGULATIONS, 2011

[Regulation 3]

FORM A

Application for grant of certificate of [18][***] registration

INSTRUCTIONS FOR FILLING UP FORM –

1. Applicants must submit to the Board a completed application form together with appropriatesupporting documents and applicable application fees. Supporting documents should beattested as true by a notary public.

2. This application form should be filled in accordance with the regulations.

3. Application for registration will be considered, only if it is complete in all respects.

4. All answers must be typed.

5. Information which needs to be supplied in more detail may be given on separate sheets whichshould be attached to the application form.

6. All signatures on the application must be original.

7. Every page of the form as well as every additional sheet must be initialed by the authorisedsignatory of the applicant.

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Part I

1. General details of the applicant and its affiliates: Management Compliance

Matrix/Structure

1.1. Name of the applicant:

1.2. Address of the registered office, address for correspondence, telephone numbers, faxnumbers, e-mail, website, name and telephone number of the contact person, address of branchoffice, if any:

1.3. Date and place of incorporation/establishment and registration number given by theRegistrar of Companies or any other authority:

1.4. Legal status of the applicant and the law, under which it is incorporated, established orregistered, if any including where the applicant is a listed entity, the details of the exchanges(whether in India or abroad) where the applicant is listed:

1.5. Brief description of the principal activity of the applicant: (along with copies of theconstitutional documents of the applicant)

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[18] The words “initial or permanent” Omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

1.6. Year of commencement of such activities (if applicable):

1.7. Shareholding pattern of the applicant (please set out the names of all such persons who holdwhether directly or indirectly more than 5% of the shareholding or voting rights in the company):

Name of the shareholder	No. of Shares	[% of shareholding] / [% of voting rights]

Where control over the applicant is exercised by a person by way of an agreement orarrangement, details and documentation in relation to such agreement or arrangement as the casemay be.

1.8. Details of significant affiliates of the applicant operating in India or abroad and activitiescarried out by them including details as regards the legal status of each such affiliates and thelaw, under which it is incorporated, established or registered, if any.

Legal Status and details of registration	
Name	
Address	
Telephone no	
Fax No	
E mail address	

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1.9 The Category to which the applicant belongs in terms of Regulation 6:

1.10 Networth of the applicant for the past three financial years(enclose copy of balance sheetand a copy of the latest networth certified by a practicing chartered accountant)

1.11 Whether any disciplinary /penal action has been taken by SEBI/any other statutoryauthorityin the last five years against the applicant or its parent company: If so, furnish details includingstatus of the proceedings and whether the penalty has been paid

FORM B

SECURITIES AND EXCHANGE BOARD OF INDIA

{KYC (KNOW YOUR CLIENT) REGISTRATION AGENCY} REGULATIONS, 2011

[Regulations 7 [19][***]]

Certificate of Registration

[19]The words “and 8” Omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

I. In exercise of the powers conferred by sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the regulations made thereunder the Board hereby

grants an [20][***] certificate of registration to _____

as a KYC Registration Agency, subject to the conditions specified in the Act and in the regulations made thereunder.

II. Registration Number for the KYC Registration Agency is IN/...../……./……../....

III. [21][This certificate of registration shall be valid unless it is suspended or cancelled by the Board.]

Date:

Place: Mumbai

By Order

For and on behalf of

Securities and Exchange Board of India

Authorised Signatory

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SCHEDULE II

PAYMENT OF FEES

SECURITIES AND EXCHANGE BOARD OF INDIA (KYC REGISTRATION AGENCY)

REGULATIONS, 2011

[Regulations 7[22][***]]

PART A

APPLICATION FEES, REGISTRATION FEES AND ANNUAL FEES

S.N		Amount in Rupees

[20]The words "initial/permanent" omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

[21]Substituted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016. Prior to substitution paragraph III read as under:

"III.This certificate of registration shall be valid from …. to …./ for permanent , unlesssuspended or cancelled by the Board."

[22]The words "and 8" omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

1	Application fees (non-refundable) payable by KRA for initial and permanent registration	50000
2	[23][***] Registration fees payable by KRA	100000
3	Annual fees payable by KRA	100000

PART B

Manner of Payment of Application, Registration and Annual Fees

Fees to be paid by KRA

Manner of payment –[24][The fees shall be paid by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by]demand draft or bankers cheque payable to the "Securities andExchange Board of India" at Mumbai or at the respective regional office.

The application fee referred to in Part A shall be paid at the time of filing application. Theregistration fee referred to in Part A shall be paid by the KRA within fifteen days from the dateof receipt of intimation from the Board. The Annual fee shall be paid within 30 days of the endof the financial year.

SCHEDULE - III

CODE OF CONDUCT

SECURITIES AND EXCHANGE BOARD OF INDIA {KYC (KNOW YOUR CLIENT) REGISTRATION AGENCY} REGULATIONS, 2011

[Regulation 10]

1. A KRA shall make all efforts to protect the interest of its clients.

2. A KRA shall maintain high standards of integrity, dignity and fairness in the conduct of its business.

3. A KRA shall fulfill its obligations in a prompt, ethical and professional manner.

[23]The words “initial and permanent” omitted by the Securities andExchange Board ofIndia (Change In Conditions Of Registration Of Certain Intermediaries) (Amendment) Regulations,2016 w.e.f. 08-12-2016.

[24] Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6-3-2017.

4. A KRA shall at all times exercise due diligence, ensure proper care and exercise independentprofessional judgment.

5. A KRA shall ensure that any change in registration status/any penal action taken by Board orany material change in financial position which may adversely affect the interests of clients ispromptly displayed on its website.

6. A KRA shall not divulge to anybody either orally or in writing, directly or indirectly, anyconfidential information about the clients which has come to its knowledge, without takingprior permission of its clients, except where such disclosures are required to be made incompliance with any law for the time being in force.

7. A KRA shall not indulge in any unfair competition.

8. A KRA shall display on its website adequate and appropriate information about its business,including contact details of persons and services available to clients.

9. A KRA shall ensure that grievances of clients are redressed in a timely and appropriatemanner;

10. A KRA shall make reasonable efforts to avoid misrepresentation and ensure that theinformation provided to the clients and intermediaries is not misleading.

11. A KRA shall abide by the provisions of the Act and the rules, regulations issued by theGovernment and the Board, from time to time, as may be applicable.

12. A KRA shall not make untrue statement or suppress any material fact in any documents,reports, papers or information furnished to the Board.

13. A KRA shall ensure that the Board is promptly informed about any action, legal proceeding,etc., initiated against it in respect of any material breach or non-compliance by it, of any law,rules, regulations and directions of the Board or of any other regulatory body.

14. (a) A KRA or any of his employees shall not render, directly or indirectly, any investmentadvice about any security in the publicly accessible media.

(b) A KRA shall not make a recommendation to any client who might be expected to relythereon to acquire, dispose of or retain any securities.

15. A KRA shall ensure that any person it employs or appoints to conduct business is fit andproper and otherwise qualified to act, in the capacity so employed or appointed includinghaving relevant professional training or experience.

16. A KRA shall have internal control procedures and financial and operational capabilitieswhich can be reasonably expected to protect its operations, its clients from financial lossarising from theft, fraud, and other dishonest acts, professional misconduct or omissions.

17. A KRA shall be responsible for the acts or omissions of its employees in respect to theconduct of its business.

18. A KRA shall provide adequate freedom and powers to its compliance officer for the effectivedischarge of its duties.

19. A KRA shall ensure that the senior management, particularly decision makers have access toall relevant information about the business on a timely basis.

20. A KRA shall ensure that good corporate policies and corporate governance are in place.

21. A KRA should have adequately trained staff and arrangements to render fair, prompt andcompetence services to its clients.

22. A KRA shall develop its own internal code of conduct for governing its internal operationsand laying down its standards of appropriate conduct for its employees and officers in thecarrying out of their duties. Such a code may extend to the maintenance of professionalexcellence and standards, integrity, confidentiality, objectivity, avoidance of conflict ofinterests, disclosure of shareholdings and interests, etc.

23. A KRA shall not be party to—

(a) creation of false market;

(b) price rigging or manipulation;

(c) passing of unpublished price sensitive information in respect of securities which are listedand proposed to be listed in any stock exchange to any person or intermediary.

24. A KRA shall maintain proper inward and outward system for all types of mail received anddispatched in all forms.

25. A KRA shall follow maker-checker concept in its activities to ensure accuracy of data.

26. A KRA shall not indulge in manipulative, fraudulent practices in the process ofidentification, verification and updation of a Client's KYC information with a view to distortmarket equilibrium or making personal gains.

mdiaCode

U. K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA