

KNOWLEDGE CENTRE

KYC Registration Agency (KRA)

1. What is KRA?

Ans: KRA or KYC Registration Agency, is an agency registered with SEBI under the Securities and Exchange Board of India (KYC (Know Your Client) Registration Agency) Regulations, 2011. The KRA maintains KYC records of an investor centrally, on behalf of capital market intermediaries registered with SEBI.

2. Why is KRA required?

Ans: KRA enables an investor to invest through various intermediaries, after undergoing the KYC process once through an intermediary. This helps in avoiding duplication of KYC process and inconvenience to investors and eliminates the need to submit KYC documents each time he opens an account with another intermediary. Further, any subsequent changes in demographic details of an investor across various intermediaries can be updated by simply updating the record maintained with the KRA. KRA process results in uniformity of data of investors maintained across intermediaries, which would enhance compliance standards.

3. What are functions and obligations of KRA?

Ans: KRA accepts the KYC form and documents pertaining to proof of identity and proof of address received from the Intermediaries. It scans, digitalizes the documents and thereafter issues acknowledgements/ conveys rejections to the investor. KRA also records any updates on KYC details of investors, which are submitted through an intermediary.

4. How does the KRA benefit the investors and the intermediaries?

Ans: KRA not only prevents duplication and inconvenience to investors, it also enables a single point change management. Further, intermediaries need not collect KYC documents from KYC compliant clients, thus eliminating the need to collect and store the same. Inspection would be on the basis of scanned images, which would simplify compliance with KYC requirements.

5. What is the role of intermediaries in KRA?

Ans: An intermediary collects the KYC form and documents only for its clients and verifies with the originals, enters the details of the same in the KRA system and thereafter forwards the authenticated copies of documents to the KRA. Further, in case of any changes in the demographic details submitted to the intermediary by an investor, the intermediary will update the same in the KRA system and thereafter forward the documents to the KRA. The intermediary can also download the KYC details of clients who have signed up with him.

6. Would an intermediary be required to do In-person verification again, for a KYC compliant client?

Ans: As per SEBI circular MIRSD / Cir - 26/2011, dated December 23, 2011, in-person verification carried out by one SEBI registered intermediary can be relied upon by another intermediary.

7. What would be the fees for KYC verification and download?

Ans: There would be a onetime charge for upload by the originating intermediary and download by subsequent intermediary.

8. How will the data maintained by the KRA be disseminated to the Intermediaries?

Ans: KRA would be providing a web based interface to the intermediaries through which they would be able to verify, download or upload information from/ to the KRA.

9. Would there be any change in the procedure for Corporates, FIs and other Non-individual entities?

Ans: The procedure for KYC, as specified under SEBI Circular no. MIRSD/SE/CIR-21/2011, dated 5/10/11 would continue for Non-individual entities as well.

10. Can the demat account be opened by the Intermediary if the KYC is under process? Or will the Intermediary have to wait for confirmation from the KRA?

Ans: If the KYC is under process, the Intermediary can go ahead and open the account. However in case of any discrepancy or rejection, the onus is on the Intermediary to rectify the same.

11. What information will be made available to the intermediary? Will the signature also be made available by the KRA?

Ans: All the KYC details, including signatures, which form part of the KYC form will be made available to the intermediary.

12. If the documents are valid at the time of acceptance at Intermediary and expires before it reaches the KRA what will be the status of the clients KYC?

Ans: Any document which is valid at the time of submission to the Intermediary will be considered for KYC. The validity of the documents for the purpose of KYC would be as on date of acceptance by the Intermediary.

13. Will the KRA system permit upload of duplicate records i.e. of an existing KYC compliant investor?

Ans: In case an intermediary uploads another KYC of an existing KYC compliant investor, the same will be rejected by the KRA system and the intermediary will have to download the KYC details of the client from the KRA.