

Sebi notifies norms to make KYC easier for investors

Making know-your-client process easier for investors, **Sebi** has notified a set of norms that allow various market entities such as brokers and MFs to get details from centralised KYC agencies, rather than carrying out a fresh KYC verification procedure.

An option available to a market intermediary is that it may access the centralised KRA (KYC Registration Agency) system in case of a client, who is already KYC compliant.

"When the client approaches another intermediary subsequently, the intermediary shall verify and download the client's details from the system of KRA," the Securities and Exchange Board of India (Sebi) said in a notification dated March 13.

This norm is subject to the "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."

KRA are institutions which maintain KYC details of investors. Wholly owned subsidiaries of stock exchanges and depositories are eligible able to act as KRA.

Last month, Sebi's board had cleared the proposal of allowing various market entities to get investor details from centralised KYC agencies instead of carrying out a fresh KYC verification procedure.

In December, last year, Sebi had simplified investor account opening form by doing away with details about income and occupation of the applicant for the purpose of centralised KYC registration agency.

Sebi had said that certain information about applicants like gross annual income details, occupation, permanent address proof and whether the applicant is a politically exposed person are not required for the centralised KRAs.

(Business Today)