

## **KRA Policy & Procedures**

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.

KRA enables an investor to invest through various intermediaries, after undergoing the KYC process only 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.

### **Functions & Obligations**

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.

### **Our Role**

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.

Member 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. In such cases, In-person verification carried out by one SEBI registered intermediary can be relied upon by another intermediary.

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.

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

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.

### **Procedures**

On receipt of dully filled up client registration form and before activation in back office, the following steps are followed by KYC Executive

Step 1: KYC Inquiry with CVL KRA and Status Check

Step 2: On Checking Status, following four types of ultimate results are found;

1. KYC to be Done with KRA
2. KYC Modification to be done with KRA
3. KYC Download to be taken from KRA
4. KYC Status to be re verified until any of above three statuses is confirmed to be performed.

(A) In the First Type of KRA Status, we follow the given procedure

1. New KYC Entry to be made using maker checker concept by KYC Executive and verified by another executive.
2. Documents along with KRA KYC Page to be sent to CVL KRA using CVL Courier Facility.
3. KYC Status to be verified until the same gets verified & successfully registered.
4. If the same is not registered with CVL KRA or having HOLD status, we inquire about discrepancies in the KYC and try to rectify the same and upload or Resend the corrected details or documents to CVL KRA until the same gets registered.
5. If the same are rejected, we inquire for the reasons and try to get client registered with KRA.

The above procedures are sending of documents are carried out within statutory prescribed time frame of 10 Days and if we find Rejected status

, then we immediately freeze the client for trade and we unfreeze upon the status is converted to registered with KRA. Further in Case of HOLD Status, we wait for 45 Days from the date of registration for Status up gradation, and after 45<sup>th</sup> Day, we freeze the client for trades in our system and unfreeze only after the status is upgraded to KYC registered with KRA.

(B) In the Second Type of KRA Status, we follow the given procedure

1. We take KYC Modification form from client in KRA specified format.
2. Enter the details in Modification window using maker checker concept
3. Send the documents along with modification form to KRA within statutory time frame.

(C) In the Third Type of KRA Status, we follow the given procedure

1. We download the KYC with the proofs from KRA and verify the same with the documents available with us.
2. If we found the same are proper, then open the client account and if we found the same is not proper, then follow KYC Modification process as per second type of KRA Status.

In the fourth type of KRA status, we wait for the KRA status to be upgraded and follow the process as per A, B or C above on case to case basis.

In case of OLD Clients KRA as per SEBI Circular for Existing clients KRA, we follow above process until the status is arrived at OLD KYC Registered with KRA.