

Circular Ref. No.: NSE/KRA/2019/01

March 15, 2019

To,  
All Intermediaries,

**Sub: Implementation of SEBI Circular on Know your Client Requirements for Foreign Portfolio Investors (FPI) dated September 21, 2018**

This is in reference to SEBI circular no CIR/IMD/FPIC/CIR/P/2018/131 dated September 21, 2018 regarding Know Your Client Requirements for Foreign Portfolio Investors (FPIs). Point no. 5 of the aforementioned circular states as under:

*Data Security*

*The KYC Registration Agencies (KRAs) shall lock personal information provided with regard to beneficial owner including SMO of FPI. Such information should be made available to intermediaries only on 'need to know basis' using an authentication method wherein an intermediary, can access the information from KRA using the authentication (similar to OTP) after the KRA gets confirmation from the FPI or its Global custodian. For this purpose, KRA needs to maintain email ids of the FPI and its Global custodian. This functionality will be optional and it will be deactivated only upon receipt of instruction from the FPI to KRA.*

Accordingly, NSE KRA is in the process of enhancing its system to enable download of KYC information of FPI on the basis of consent of the FPI. SEBI Registered Intermediaries are advised to follow procedure as under to register / update / download KYC information of FPI clients.

**A. Registration of Consent of FPI**

I. Following details shall be captured by SEBI Registered Intermediary/Custodian for registration of consent of FPI.

- a. Name of Authorized Representative of FPI (Optional)
- b. Email ID (Three email ids can be captured; One email id is mandatory)
- c. Mobile Number (Optional)
- d. Download Consent Flag – Yes / No (Mandatory; Default value: Yes)
  - 'Yes' means consent required for download
  - 'No' means download without consent
- e. UBO Details Flag – Yes / No (Optional)
  - 'Yes' means UBO details are uploaded
  - 'No' means UBO are not uploaded

II. For new FPIs, consent shall be registered as part of KYC registration request. In case of existing FPI KYC records available in NSE KRA system, consent shall be registered through modification request.

### **B. Upload of UBO details of FPIs**

I. In case of new FPIs, UBO details shall be uploaded as part of KYC registration request. Intermediaries shall ensure that UBO flag is marked as 'Yes'.

II. Where FPI KYC records are already available in NSE KRA system, UBO details shall be uploaded through modification request. Intermediaries shall ensure that UBO flag is marked as 'Yes'.

### **C. Download of KYC information of FPIs**

I. SEBI Registered Intermediary shall set up solicited request to download KYC record of FPI in KRA system. Where the Download Consent Flag is 'Yes', an email shall be sent to Authorized Representative of FPI requesting his/her consent to provide KYC record to the requesting intermediary. Email will contain consent link with decision tab as 'Approve' or 'Reject'; on clicking of the decision box, consent will be recorded in the KRA system.

II. NSE KRA shall send an email confirming to the requesting intermediary that consent request email has been sent to the Authorized Representative of FPI. This information can be used by the requesting intermediary to follow up with FPI for obtaining the consent.

III. NSE KRA shall provide UBO Details Flag in KYC status inquiry screen. Intermediary can check availability of UBO details by checking status of KYC.

IV. KRA will provide download of KYC details and supporting documents after receipt of consent from Authorized Representative of FPI.

V. Whenever KYC details of client are modified by intermediaries, KRA system sends unsolicited download of KYC information to all intermediaries who have either uploaded/downloaded/modified KYC information of the client. Thus unsolicited KYC download including UBO details of an FPI client will be available to intermediaries, who have uploaded/ downloaded/ modified such FPI's KYC details in past, even when the Download Consent Flag is set as 'Yes' by default or otherwise.

VI. FPI or intermediary shall inform the KRAs to delink KYC in case the FPI client closes the account with respective intermediary so that unsolicited download request can be discontinued.

Intermediaries are requested to take note.

The new features will be available in NSE KRA system from March 20, 2019.

In case of any clarifications/queries, please write to us at [dotex\\_kraops@nse.co.in](mailto:dotex_kraops@nse.co.in) or call on 022 -2659 8182 / 8407.

For and on behalf of  
**NSE Data & Analytics Limited**

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**Mukesh Agarwal**  
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