

FAQ on Uniform KYC

- **What is meant by Uniform Know Your Customers (“KYC”) requirements for the Securities Market?**

In order to help investors dealing with SEBI intermediaries, SEBI issued three circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011 wherein it was informed to SEBI registered intermediaries that a uniform KYC compliance procedure will be followed for all the investors dealing with them with effect from January 01, 2012. SEBI also issued KYC Registration Agency (“KRA”) Regulations 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification (“IPV”).

List of SEBI registered intermediaries as per the new KYC Regulations

1. KYC Registration Agencies (KRAs),
2. Stock Brokers through Stock Exchanges,
3. Depository Participants (DPs) through Depositories,
4. Mutual Funds (MFs)
5. Portfolio Managers (PMs)
6. Venture Capital Funds (VCFs)
7. Collective Investment Schemes (CIS),

- **Will the new KYC requirement effective 01st Jan 2012 be applicable to both New & Existing investors?**

The KYC requirement which is effective from 01st Jan 2012 will be applicable to New investors only. However, if the existing KYC compliant investor would like to deal with any SEBI registered intermediary other than mutual funds, they will have to follow the new KYC compliance procedure.

- **What will be the steps followed by an investor to be KYC compliant starting 01st Jan 2012?**

The investor has to follow the below steps for being KYC Compliant starting 01st Jan 2012

- Fill up the new KYC Application form as available on our website viz www.reliancemutual.com as well as any of the KRA’s web site viz. www.cvlkra.com.
- The investor has to submit the application form in person at any of the offices designated as Intermediaries by the KYC Registration Agency (KRA).
- Obtain a temporary acknowledgement for submission of all the documents and completion of IPV;

Once all the documents are verified by a KRA, they will send the investor a letter within 10 working days from the date of receipt of necessary documents by them from the Fund or its Registrar and Transfer Agent informing the investor either about compliance by the investor of the new KYC compliance procedure (“**final acknowledgement**”) or any deficiency in submission of details or documents.

- **Can a KYC be processed without a transaction?**

No, the KYC needs to be accepted by the Intermediaries only accompanied by an Investment.

- **Who can do IPV?**

- In case of Stock brokers, their sub-brokers or Authorised Persons (appointed by the stock brokers after getting approval from the concerned Stock Exchanges in terms of SEBI Circular No.MIRSD/DR-1/Cir-16/09 dated November 06,2009) can perform the IPV.
- In case of Mutual Funds, their Asset Management Companies (AMCs) and the distributors who comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds (AMFI) and have undergone the process of 'Know Your Distributor' (KYD), can perform the IPV. However, in case of applications received by the mutual funds directly from the clients (i.e. not through any distributor), they may also rely upon the IPV performed by the scheduled commercial banks.
- Distributors who are NISM /AMFI certified and have done their KYD
- For direct applications received, IPV may be done by Scheduled Commercial Banks

- **Can the AMC personnel do IPV ?**

Yes, purely based on the requirement of the In-Person Verification with the validation of the original documentation. (RCAM employee on behalf of RMF)

- **Can the IPV done by one of the SEBI registered intermediary be relied upon by another intermediary ?**

Yes.

- **Which are the Intermediaries as per the SEBI Circular ?**

KYC Registration Agencies (KRAs)
Stock Brokers through Stock Exchanges.
Depository Participants (DPs) through Depositories.

Mutual Funds (MFs)
Portfolio Managers (PMs)
Venture Capital Funds (VCFs)
Collective Investment Schemes (CIS)

- **Is RMF/RCAM a Intermediary registered with the KRA ?**

Yes. RCAM acting on behalf of RMF is a registered intermediary.

- **Is KYC mandatory for Micros SIPs (without PAN) ?**

Yes. The list of documentation is furnished on the KYC Individual Application form.

- **What is the format of the seal for IPV for Intermediary ?**

The same is furnished on the lower portion of the New KYC Individual / Non-Individual application forms.

- **Is there a pre-defined IPV format for the designated list of people who can do the IPV for the KRA ?**

No.

- **What is the new KRA regulation issued by SEBI and what is the effective date ?**

Presently for a client to invest with different intermediaries in the security market, he / she had to undergo the process of KYC separately with each of them. To create standardization and avoid duplication, SEBI has mandated uniform KYC for the securities market effective Jan 1st, 2012 thro the KYC Registration Agency(s) (KRA).

- **Does an existing investor with RMF have to complete the KYC formalities again ?**

No, If the investor has completed the KYC formalities through CDSL Ventures Ltd (CVL) and the KYC / PAN status is updated in our records. In case the investor has never initiated the KYC process, the formalities need to be updated as per the new guidelines before investing in the MFs.

- **Stand-alone KYC done through the CDSL Ventures Ltd (CVL), but not mapped the same to any MF, will the investor have to complete the formalities once again with the KRA appointed by SEBI?**

No, The investor can attach the acknowledgement and give it with the Investment to the MFs.

- **Differentiating factor for the pre / post KYC formalities ?**

The New KYC forms has additional information requirement as compared to the Old KYC. Also IPV (in-Person Verification) is made mandatory for all the investors initiating the KYC.

- **Can we do a stand-alone KYC without Purchase ?**

No. The KYC application needs to be accompanied with an investment application.

- **What type of communication will be issued for the KYC completion at the Intermediary?**

The Intermediary will provide an acknowledgement letter confirming the acceptance and processing of the KYC. Post the same, the KRA will also send a communication from their end within 10 working days of receipt of the documents from the intermediary.

- **Which are the locations wherein we can visit for completion of the KYC formalities ?**

Kindly visit any of our RCAM Branches by clicking on the www.reliancemutual.com website and checking out the closest location.

- **How long does the KYC formalities take for the investor to invest ?**

The KYC acknowledgement letter will be generated immediately by the intermediary, if the requisite documentation is in place. The communication from the KRA will take 10 working days from the date of receipt of the original documents from the intermediary.

- **For NRI Investment, if the NRI is out of India how should he go about the KYC formalities ?**

The acceptance of the requisite documents and the IPV formalities remain the same as already mentioned in the FAQs.

- **Can we accept the KYC formalities through e-mail ?**

No.

- **Can we accept the Change in the Details of the investor via e-mail ?**

No, the KYC Change Details form needs to be duly filled in with the requisite documentation for getting the change effected.

- **Can we accept the KYC forms received by courier / post to our RCAM branches ?**

Yes, provided all the documents/IPV formalities as referred in the FAQs are adhered to.

- **Can the investor get the Change Details done even if the KYC was done through the CDSL Ventures Site earlier ?**

Yes.

- **If an investor from Sikkim and do not have a PAN, can I get the KYC formalities done ?**

Yes, under the PAN exempt cases. The same will be processed with the required POI and POA alongwith the IPV formalities as defined in the KYC application form.

- **Will KYC be applicable for Micro SIP Investor ?**

Yes. Micro SIP application needs to be accepted with the required Proof of Identity and Proof of Address alongwith the IPV formalities as defined in the KYC application form.

- **Who are the List of people authorized to attest the KYC documents ?**

Notary Public, Gazetted Officer / Manager of a Scheduled Commercial / Co-operative bank or Multinational Foreign Banks (name , Designation & Seal should be affixed on the copy).

- **Who are the List of people authorized to attest the NRI related KYC documents ?**

In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy / Consulate General in the country where the client resides are permitted to attest the documents.

- **Can the investor use the old KYC Application forms starting 01st Jan 2012?**

No the investor has to use the new KYC Application form as available on the Fund's, AMFI's as well as any of the KRA's web site.

- **Which agency will act as a KRA for processing the KYC Application forms effective 01st Jan 2012?**

As of now CDSL Ventures Limited (CVL) will act as the KRA for processing the KYC Application forms effective 01st Jan 2012. Also the investors can continue to call the existing helpline nos provided by CVL for any clarifications on KYC processing.

- **Is "In Person Verification" mandatory (IPV) for all the KYC Applications received effective 01st Jan 2012?**

Yes.

- **Is it mandatory for the investor to make investment in order to apply for KYC effective 01st Jan 2012?**

Yes. No stand-alone KYC is allowed.

- **Within how many days will the KRA have to send the intimation to the investors about their KYC Processing status?**

Within 10 days.

- **Where will the investor submit the change details form in KYC effective 01st Jan 2012?**

The investor can submit the KYC Change Details form for KYC effective 01st Jan 2012 with any of the Intermediaries associated with KRA.

- **Will the new KYC be applicable for Micro SIP investors effective 01st Jan 2012?**

Yes. Even the micro SIP investors have to do KYC through this new system and instead of PAN, separate unique number will be generated through KYC/KRA system.

- **Will the new KYC be applicable for the Zero Balance Folios effective 01st Jan 2012?**

No, we will not accept Zero Balance lump Sum application with / without KYC.

- **Will the new KYC be applicable for the SIP without Cheque / Zero Balance SIP effective 01st Jan 2012?**

Yes.

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