Sebi issues circular on Aadhaar e-KYC for investors

NEW DELHI: Sebi on Tuesday issued a detailed circular regarding the process to be followed for Aadhaar-based electronic KYC exercise for domestic investors. The circular mentions about the requirements to be fulfilled by entities registered with the UIDAI as KYC User Agency (KUA) as well as for sub-KUA. For such KYC process, there would be two options – online portal and assisted investor e-KYC processes.

Sebi-registered intermediaries and mutual fund distributors, who want to undertake Aadhaar authentication services through KUAs, should enter into an agreement with any one KUA. They should also get themselves registered with UIDAI as sub-KUAs. Under the Prevention of Money Laundering Act (PMLA), entities in the securities market that are notified by the central government can undertake Aadhaar authentication.

“Sebi-registered intermediaries for reasons such as online on-boarding of clients, customer convenience, increased efficiency and reduced time for client onboarding would prefer to use Aadhaar based e-KYC facility to complete the KYC of the client,” the circular said. //MORE BS