



Central Depository Services (India) Limited

Convenient # Dependable # Secure

COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2021/152

April 05 , 2021

MANDATORY UPDATION OF CERTAIN ATTRIBUTES OF KYC OF CLIENTS

DPs are advised to note that that 6 KYC attributes shall be made mandatory for all the categories of clients and the same has been decided in consultation with all MIIs and SEBI.

1. DPs are advised to take note of the details of 6 KYC attributes which shall be made mandatory as mentioned below :

- a. Name
- b. Address
- c. PAN
- d. Valid mobile number
- e. Valid email-id
- f. Income range

2. **Checks for PAN**

- a. The requirement of mandatory submission of PAN by clients for transactions in the securities market shall continue to apply, with permitted exemptions.
- b. DP shall verify the PAN online using the Income Tax site .
- c. In case PAN is not seeded with AADHAAR before the date specified by the Government, it will not be considered as a valid PAN.

3. **Checks for mobile number and email ID**

- a. DPs shall ensure that separate mobile number and email address is captured for all Beneficial Owner [BO] account holders. However, after submitting a written declaration, BO can update mobile number and email address of its family members. Family for this purpose has been defined as self, spouse, dependent parents and dependent children.
- b. In cases, wherein same mobile number / email ID is captured in more than 1 demat account and family flag is also not updated, DP shall be required to send 15 days notice to such demat account holder for submitting the mobile number /email ID Modification form /request letter for updating the same or family flag declaration, failure to comply with which would result in classification of such accounts as non-complaint accounts.
- c. DPs shall ensure that the mobile numbers/ email addresses of DPs /their KMPs/ other employees etc. are not captured.
- d. In case DP has the mobile number and email ID of the client in its back office, or trading account or in the bank account provided by the client and account is KYC complied in such trading account / bank account, the DP may update the details in the demat account and intimate the client about the updation by sending the Client Master Report [CMR] along with an intimation to complete the validation process.
- e. Following cannot be considered as valid mobile number:



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1. In respect of mobile numbers for India, Mobile no. is of 10 digit but starts with any number between 1 to 5 i.e. (1,2,3,4 & 5)
2. '0000000000' / '1234567890' is captured.
 - Single number is appearing in all 10 digit such as '1111111111', '2222222222', 3333333333,4444444444,5555555555,6666666666,7777777777, ,8888888888,9999999999.
- f. Following cannot be considered as valid email ID:
 - Noemail' is mentioned in email ID.
 - '@' is not mentioned in email ID.
 - If words - 'notprovided' and 'xyz' are mentioned in email id field.
 - Invalid email domain is mentioned. E.g. number digits are mentioned prior to domain name viz. 202Ggmail.com, 1234gmail.com, 1rediffmail.com, 55yahoo.com etc.
 - There is '.' (dot) at the end of Email ID
 - There is no '.' (dot) after '@' and before text
 - More than one '@' are there in email ID.

4. Verification of mobile number and email ID

- a. An additional flag will be made available in the CDAS system to identify the valid mobile number and valid email id.
- b. Depository shall take necessary steps to verify that mobile number and email ID updated in the beneficial owner account is accessible by sending an SMS and email directly to the account holder at the mobile number and the email ID captured in the account. In case an electronic confirmation is received from the said mobile number and the said email ID, such mobile number and/or the email ID will be considered as verified and 'verified' flag will be enabled against such mobile number and/or email ID.
- c. To start with, such verification link will be sent in respect of new accounts and subsequently, such links will also be sent for all existing accounts in a staggered manner.
- d. Accounts where the mobile number or email id cannot be verified shall be considered as non-complaint accounts.

5. Income Range

- a. As per Additional Account opening Annexure 2.1 (Account opening form for Individuals) and Annexure 2.2 (Account Opening Form for Non Individuals), income range per annum is required to be obtained from clients.
- b. The income range as required under Annexure 2.1 and 2.2 are as given below:
 - i. Income Range-Individuals
 - Below Rs. 1 lac
 - Rs. 1 lac to Rs. 5 lacs
 - Rs. 5 lac to Rs. 10 lac
 - Rs. 10 lacs to Rs. 25 lacs
 - More than Rs. 25 lacs
 - ii. Income Range-Non-Individuals
 - Below Rs. 1 lac



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- Rs. 1 lac to Rs. 5 lacs
- Rs. 5 lac to Rs. 10 lac
- Rs. 10 lacs to Rs. 25 lacs
- Rs. 25 lacs to Rs. 1 crore
- More than Rs. 1 crore

6. Implementation

- a. All 6-KYC attributes shall be mandatory for new accounts opened from June 1, 2021.
- b. In respect of all existing accounts, DPs must verify that all 6-KYC attributes are updated and wherever required necessary communication to be sent to their clients to update the same on or before May 31, 2021.
- c. DPs shall be required to inform the clients through both physical and electronic modes and also through its website, if any, for updating the details and complete the validation process.
- d. Thereafter, such non-compliant demat accounts will be liable to be made inactive i.e., no debit will be allowed in such demat account (except for settlement of already open positions).

Further, SEBI has also advised the depositories to instruct their DPs to ensure adequate due diligence while on-boarding of clients and conducting of KYC.

Queries regarding this communiqué may be addressed to **CDSL – Helpdesk**: on telephone numbers (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com.

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