



# ASSOCIATION OF MUTUAL FUNDS IN INDIA

135 / BP/ 68 /2016-17

December 22, 2016

Dear Members,

## **AMFI Best Practices Guidelines Circular No.68 / 2016-17** **Implementation of Central KYC (CKYC) norms**

We invite your attention to the circulars no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 and no. CIR/MIRSD/120 /2016 dated Nov. 10, 2016 issued by SEBI to market intermediaries (including mutual funds) regarding operationalization of Central KYC Records Registry (CKYCR).

In this regard, AMFI had a series of meetings within its members, RTAs, KYC Registration Agencies, various brokers associations such as BBF, ANMI and also with SEBI. AMFI's Operations and Compliance committee (OPCO) had several meetings and deliberations with KRAs, on how to implement the Centralised KYC (CKYC) as well as continue with KRA KYC with minimal inconvenience to investors. AMFI has also submitted a representation to the Department of Financial Services, Ministry of Finance on December 6, 2016, copy of which was forwarded to all AMFI members.

After due deliberations of the matter by AMFI OPCO as well the Board of AMFI, it has been decided to issue the following Best Practice Guidelines to all members for uniform and smooth implementation of CKYC norms within the MF industry.

### **A. Individual Customers New to KRA-KYC**

1. With effect from 1<sup>st</sup> February, 2017, while onboarding any individual customer who has never done KYC under KRA regime i.e., a prospective customer who is new to KRA system and whose KYC is not registered or verified in the KRA system, the mutual fund / AMC should use the new KYC form viz., "CKYC Form" ([Annexure 1](#)) to conduct and register the KYC of the customer. This new KYC form is in line with CKYC form guidelines and requirements and hence captures all information needed for CKYC, as well as KRAs.
2. If any prospective customer uses the old KRA KYC form, which does not have all information needed for registration with CKYC, such customer should either be requested provide additional/missing information using a "Supplementary CKYC Form" ([Annexure 2](#)) or fill the new "CKYC Form" ([Annexure 1](#)).
3. After obtaining the CKYC Form / Supplementary CKYC Form as mentioned above, all the requisite data of the customer should be entered in KRA system for the purpose of KRA compliance.



4. Additionally, based on the new CKYC form/s, the mutual funds/AMCs performing the KYC should upload the necessary data and document images with CKYCR.
    - a. Mutual funds/AMCs may create the upload file themselves or may get the file and documents from KRAs.
    - b. AMFI has requested all KRAs to capture the additional KYC information which is mandatory in CKYC but not forming part of KRA-KYC currently in the KRA system, e.g. Mother's Name, Maiden Name, FATCA information etc.
  5. All mutual funds / AMCs should take steps to inform their distributors, prospective investors about the new CKYC form and the aforesaid guidelines and give widespread publicity to this initiative.
- B. New investors, who have completed CKYC & quote KYC Identification Number (KIN)**
1. With CKYC getting gradually implemented, there may be customers who have already completed CKYC and have a **KYC Identification Number (KIN)** from CKYCR and may wish to invest in mutual funds quoting their 14 digit KIN.
  2. As and when any such customer wishes to invest in any Mutual Fund on the basis of KIN, the mutual fund / AMC should use the KIN provided by the investor to download the KYC information from CKYCR system and update their records, as being done for updation of KRA KYC information currently.
  3. Further, the mutual fund/AMC should also check whether the PAN of the customer has been updated in CKYC system. If the PAN has not been updated in CKYCR system, the mutual fund / AMC should collect a self certified copy of the customer's PAN card and update/upload the same in the CKYC system.
  4. Accordingly, Mutual Funds/AMCs are also advised to modify their Scheme application forms suitably to capture KIN.

Members are also requested to confirm having noted the contents of this circular for due compliance and also to place this circular before their Trustees for information at the next meeting of the Trustees.

With regards,

Sincerely,

  
**B. M. Kini**  
**Dy. Chief Executive**