भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Consultation paper

Review of Know Your Client process for individual Persons Resident Outside India

CONTENTS

I. Objective:

1. The objective of this consultation paper is to review the extant process for on-boarding of individual Persons Resident Outside India (PROI[1]) clients and invite public comments on the proposals to simplify the said process in order to enable seamless digital on-boarding in the securities market. The consultation paper also takes into cognizance of the various modes available to investors during the digital on boarding process. For the purpose of this consultation paper, individual PROI clients shall mean Non-Resident Indian (NRI)[2], Overseas Citizen of India (OCI[3]) and foreign nationals, located outside India.

2. The individual PROI who seeks registration as a Foreign Portfolio Investor (FPI) shall be subject to the provisions of Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors ref. no. SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/70 dated May 30, 2024.

II. Background:

2. SEBI Master Circular on Know Your Client (KYC) dated October 12, 2023, prescribes the requirements for KYC during the process of client on boarding including the form to be filled by clients (individual and legal entity), requisite supporting documents, verification/ validation of KYC records by KYC Registration Agencies (KRAs[4]), obligations of intermediaries and KRAs. These requirements have been specified in alignment with the provisions of the Prevention of Money Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (PMLR), as amended from time to time.

3. The process specified in the KYC Master Circular[5] includes the requirements for both resident and non-resident clients. One of the requirements for digital on-boarding of non-resident clients is that the location of such clients should be in India at the time of on-boarding.

4. SEBI has been receiving multiple representations from stakeholders seeking relaxation of the said provision of presence in India. Additionally, representations have been received regarding the requirements of verification of original Officially Valid Documents (OVDs), signature affixation, portability of KYC records, etc. In multiple inter-regulatory forums as well, the need for easing the KYC process for PROI clients has been deliberated upon.

5. To begin with, on December 10, 2025, SEBI issued a circular[6] relaxing the requirement of geo-tagging to be in India for NRIs while undertaking re-KYC. This allowed NRI clients to undertake modifications in their KYC information with their intermediary from locations outside India.

6. In the Union Budget FY2026-2027, the Union Minister for Finance and Corporate Affairs announced that individual PROI will be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme which was hitherto available only to NRIs and OCIs; and the investment limit for individual PROI in any company was

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[1] PROI is defined under Section 2(w) of Foreign Exchange Management Act, 1999 (FEMA), as "person who is not resident in India";

[2] In terms of section 2(30) read with section 2(42) of the Income Tax Act, 1961, "non-resident" means a person who is not a "resident", and for the purposes of sections 92, 93 and 168, includes a person who is not ordinarily resident within the meaning of clause (6) of section 6; "resident" means a person who is resident in India within the meaning of section 6;

[3] Overseas Citizen of India (OCI), defined under Section 2 (ee) of the Citizenship Act, 1955;

[4] KYC Registration Agencies as per SEBI (Know Your Client Registration Agencies) Regulations, 2011;

[5] SEBI Master Circular on Know Your Client norms in securities market, ref. no. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023 (KYC Master Circular);

[6] SEBI Circular on Relaxation on geo-tagging requirement in India for NRIs while undertaking re-KYC, ref. no. HO/38/30/12(1)2025-MIRSD-SEC-FATF dated December 10, 2025;

increased. Further, Ministry of Finance vide its notification dated June 12, 2026, amended the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, to permit Foreign Nationals to invest in Indian securities without coming through the Foreign Portfolio Investment (FPI) route, in order to facilitate foreign investments in the country.

7. PROIs play an important role in the Indian securities market and represent a significant and growing pool of investment into India. Enabling smooth on-boarding would enhance market participation, make investing back home easier for the Indian diaspora (NRIs and OCIs) which would lead to channelization of overseas savings into Indian capital markets.

8. In view of the representations received from stakeholders and to facilitate the inflow of investment into the Indian securities market, the extant KYC process for PROI clients is being reviewed, to simplify digital on-boarding while being outside India as well. This shall also lead to ease of doing business for the intermediaries.

III. Steps involved in first-time KYC process of all clients:

9. As per extant regulatory framework, the steps involved in the KYC process for any client in the securities market is as follows:

Step 1	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**
Fill KYC form and sign	Provide **self-attested** copies of OVDs/ supporting documents	**Verification of originals** of OVDs/ supporting documents	Client **In Person Verification (IPV) including liveliness check** and additional **due diligence**	**Upload of KYC record** on KRA database	**Verification of KYC** information with source databases	KYC record created

10. In specific, the different modes of on-boarding PROI client by the intermediary, are given below:

10.1. Client on-boarding while in India:

i. Physical: The individual PROI client may visit the office/ branch of intermediary or the authorised official of the intermediary may visit the PROI client. The PROI client submits the filled and signed KYC form and self-attested copy of the OVD or equivalent e-document thereof. The intermediary verifies the KYC form, original OVDs and undertakes In Person Verification.

ii. Digital: The individual PROI client submits the KYC information along with specimen signature online, through app, website or digital or submit scanned copy of signed and filled KYC form online under electronic/ digital signature (includes Aadhaar e-sign). Further, client submits the copies of OVD through Digi-locker or proof of possession of Aadhaar. The intermediary shall capture photo in live environment including liveliness check, capture latitude longitude with time-stamp to ensure client is in India, etc.

10.2. Client on-boarding while outside India:

i. Physical:

a. The individual PROI client may visit the office/ branch of intermediary or the authorised official of the intermediary may visit the PROI client. The PROI client submits the filled and signed KYC form along with self-attested copy of the OVD or equivalent e-document thereof. The intermediary verifies the KYC form, original OVDs and undertakes IPV.

b. Alternately, the individual PROI client fills and signs the KYC form and shares the same with the intermediary along with certified copy[7] of the OVDs, through courier.

ii. Digital: Currently, digital on-boarding of individual PROI client is feasible only when the location of the client is in India at the time of on-boarding.

IV. Need for review and proposed changes:

11. On account of the restriction that the latitude longitude of the client should be in India during online KYC process, the intermediaries are unable to provide complete digital on-boarding to individual PROI clients. The provision of submitting KYC form digitally using electronic/ digital signature, submission of OVDs through Digi-locker or digital Aadhaar authentication, IPV through video interaction, is currently not available for PROI clients while outside India. Therefore, it has become imperative to review the extant on-boarding process for PROI clients (while outside India), to identify and ease the concerns towards complete digital on-boarding.

12. In view of the above, the various stages in on-boarding an individual PROI client (while outside India), corresponding concerns and proposed solutions have been tabulated below:

Sl. No.	Category	Current process and concerns thereof	Proposal with rationale
a	**KYC form**	The client can fill the KYC form and do wet signature and send by courier to the intermediary in India. The process of courier of the document is time-consuming and costly. The KYC Master Circular mandates the intermediary app shall ensure the physical location of the client to be in India during digital KYC[8]. This in turn prevents a PROI who is outside India to do "digital KYC". Therefore, currently, the client is unable to submit the filled form digitally to the intermediary.	In order to ease the on-boarding process, the client may be permitted to fill physical KYC form or through digital mode (including app or website), sign and share digitally with the intermediary[9], by relaxing the requirement of physical presence in India.
b	**Signature**	The client can do wet signature on the physical KYC form or affix cropped signature on the online KYC form. The electronic/ digital signature, including Aadhaar e-Sign shall be accepted in lieu of wet signature on the documents provided by the client.[10]	Client may be permitted to provide cropped image of specimen signature, while submitting KYC digitally. Client shall do the wet signature before the intermediary during Video In

[7] After verification of original, copy of OVD certified by any one of the following - authorised 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 non-resident customer resides;

[8] Paragraph 51 of the KYC Master Circular;

[9] Paragraphs 33 and 34 of the KYC Master Circular;

[10] Paragraphs 46 and 48 (a and b) of the KYC Master Circular;

Sl. No.	Category	Current process and concerns thereof	Proposal with rationale
		A client can use the electronic/ digital signature, including Aadhaar e-Sign service to submit the documents to the registered intermediary. However, this is currently permitted as part of "digital KYC" process, which mandates client to be present in India during video interaction. However, even if "digital KYC" process is allowed for PROI client outside India, Aadhaar e-sign option can only be used if the client has an Indian mobile number to receive the One Time Password (OTP) for authentication. As per data from KRAs, during June 1, 2025 - June 30, 2026, around 1.45% of NRI KYC records were based on Aadhaar e-sign. Section 19 of the Information Technology Act, 2000[11], allows recognising foreign electronic signatures in India. Under this mechanism, the Controller of Certifying Authorities (CCA) notifies foreign regulatory authorities as recognised counterparts, based on which electronic signature certificates issued by foreign certifying authorities get recognised in India. This can be utilised by PROI clients. CCA has notified certain Digital Signature Certificate (DSC) providers, which can be accessed through, https://cca.gov.in/CAServicesPublic.html . However, no foreign certifying authority has been notified by CCA till date.	Person Verification process (VIPV) for verification. PROI clients may be permitted to submit the KYC form and OVDs digitally to the intermediary using electronic/ digital signature including Aadhaar e-sign. Electronic or digital signature, shall have the same meaning as defined under the Information Technology Act, 2000.
c	**PAN**	PAN is mandatory for all participants transacting in the securities market, barring the exemptions specified in KYC Master Circular. The details submitted by clients are verified by the intermediary with the Income Tax database. Therefore, client need not be insisted to show original or provide copy thereof[12].	No review is proposed.
d	**Passport**	NRIs, OCIs and foreign nationals have to mandatorily provide a copy of their passport[13].	No review is proposed.

[11] *Section 19 of the Information Technology Act, 2000, inter-alia, prescribes that "subject to such conditions and restrictions as may be specified by regulations, the Controller may with the previous approval of the Central Government, and by notification in the Official Gazette, recognise any foreign Certifying Authority as a Certifying Authority for the purposes of this Act."*

[12] *Paragraph 8 of the KYC Master Circular;*

[13] *Paragraph 20 of the KYC Master Circular;*

Sl. No.	Category	Current process and concerns thereof	Proposal with rationale
		Further, an OCI has to provide a copy of the OCI card.	
e	**Proof of Identity and Address**	For PoI and PoA, a client can provide any of the OVDs or deemed OVDs[14] specified in Rule 2 (d) of PMLR. For non-residents and foreign nationals (allowed to trade subject to Reserve Bank of India (RBI) and FEMA[15] guidelines), overseas address proof is mandatory[16]. For PROI clients outside India, proof of current address, should imply, proof of overseas address. NRI clients who have Indian address in passport/ driving license/ Aadhaar, are required to submit alternative address proof for current address. Similarly, for OCI card holders or foreign nationals from jurisdictions wherein address is not captured in passport or driving license, alternative address proof is required to be submitted. Further, rule 9(14) of PMLR, *inter-alia*, provides that where a client has provided his Aadhaar number for identification and wants to provide a current address, different from the address as per the identity information available in the Central Identities Data Repository, he may give a self-declaration to that effect to the reporting entity.	It is understood that at the time of on-boarding, one of the addresses being filled in KYC form[17] by a PROI client, is the overseas address. The same should be supported by proofs as prescribed in PMLR. At the time of digital on-boarding of PROI client, the intermediary shall capture the latitude longitude of the client, as per PMLR and match the same with the country specified in the address provided by the client. Further, to ease the on-boarding process, the PROI client may be permitted to self-declare the current address, if the client has submitted an OVD which can be verified with official or source database and wants to provide a current address, different from the address mentioned in the OVD submitted.
f	**Mobile Number and email id**	The intermediary is required to verify the mobile number and email id provided by the client through OTP or other verifiable mechanism and upload the same on the KRA database[18]. As per extant norms, this verification is essential for the KYC record to get tagged as "validated"[19]. The verification of Indian mobile number located outside India through OTP and verification of foreign mobile number is a challenge for the intermediaries.	Considering the challenges in sending SMS to mobile number of foreign jurisdiction, it is proposed to mandate the intermediary to collect email id from PROI client and verify the mobile number submitted by the client, if feasible.
g	**Original Seen & Verified (OSV)**	The extant provisions mandate intermediary to see and verify the copies of the submitted documents with the original[20].	PROI clients may be permitted to provide proof of possession of Aadhaar/ digitally signed OVD issued by the issuing

[14] *Paragraphs 14 and 17 of the KYC Master Circular;*

[15] *The Foreign Exchange Management Act, 1999;*

[16] *Paragraph 20 of the KYC Master Circular;*

[17] *Paragraph 5 of the KYC Master Circular;*

[18] *Paragraphs 32 and 39 of the KYC Master Circular;*

[19] *Paragraphs 97 and 100 of the KYC Master Circular;*

[20] *Paragraph 36 of the KYC Master Circular;*

Sl. No.	Category	Current process and concerns thereof	Proposal with rationale
		The PROI client may visit the office/ branch of intermediary or the authorised official of the intermediary may visit the client and verify the documents with the original. The OSV requirement is considered satisfied if investor provides clear photograph or scanned copy of the original OVD, through the electronic/ digital signature, including Aadhaar e-Sign[21]. Further, as part of "digital KYC" process, if client provides proof of possession of Aadhaar/ digitally signed OVD issued by the issuing authority or any OVD through Digi locker, then OSV is considered to have been satisfied[22]. However, this online submission of OVDs is currently not available for PROI client, since for "digital KYC", client is required to be present in India. Even if "digital KYC" process is allowed for PROI client outside India, the option of providing e-Aadhaar or OVD through Digi-locker, can only be used if the client has an Indian mobile number to receive the OTP for authentication. In case the intermediary is unable to undertake offline verification of OVD, then the PROI client is required to produce documents attested by any of the following viz. authorised 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[23]. Such notarised documents are then couriered by client to intermediary. However, notarisation process is considered time-consuming process and cumbersome. It is noted that in multiple matters Courts have been accepting electronically signed and notarised affidavits (e-notarization)[24].	authority or any OVD through Digi locker. Further, the list of authorised officials for certifying/ attesting documents after verification of original OVDs, may be extended to include authorised officials of branches of overseas banks with whom Indian banks have relationships, thereby aligning with the list provided by RBI.

[21] *Paragraph 48 (c)(i) of the KYC Master Circular;*

[22] *Paragraph 48 (c)(ii) of the KYC Master Circular;*

[23] *In terms of SEBI Circular on Simplification and Rationalization of Trading Account Opening Process, ref. no. CIR/MIRSD/16/2011 dated August 26, 2011.*

[24] *Examples - Srinath Kumbargeri Venkatachalappa v. CA Shivaram (2024) and Singh & Singh Law Firm LLP v. Singh & Singh Attorneys & Ors (2024);*

Sl. No.	Category	Current process and concerns thereof	Proposal with rationale
h	**In Person Verification**	Registered intermediaries are mandated to carry out IPV of their clients[25]. However, the said requirement is relaxed in the following circumstances[26]: • the KYC of the client has been completed using the Aadhaar authentication/ verification of Unique Identification Authority of India (UIDAI). • the documents have been provided through Digi locker or any other digitally verifiable source. As per PMLR, during "digital KYC", the intermediary may undertake video IPV through their app where live photo is captured along with latitude and longitude of the client. However, the KYC Master Circular mandates the intermediary app shall ensure the physical location of the client to be in India during digital KYC. This in turn prevents a PROI who is outside India to do "digital KYC". For re-KYC for NRIs, the requirement of physical location in India was relaxed vide SEBI circular dated December 10, 2026[27].	Registered intermediaries shall continue to be mandated to carry out IPV of their clients To facilitate digital on-boarding process for clients outside India, the requirement of physical location in India during "digital KYC" may be relaxed for clients from Financial Action Task Force (FATF) compliant countries[28]. The extant KYC process shall continue to be applicable for PROI clients from FATF non-compliant countries. The aforementioned relaxation from location in India during digital KYC shall be subject to safeguards being put in place by intermediary, for VIPV, including: a. Liveliness check; b. In presence of authorised representative of intermediary; c. Live capturing of the latitude longitude of the client to match with the country specified in proof of address; d. Prevent connections from spoofed IP address; e. Concurrent audit; The intermediary shall also ensure compliance with the SEBI directions on cyber security and cyber resilience for regulated entities[29]. It is noted that as per extant RBI Master Directions on KYC, the client is required to be present in India during on-boarding. Therefore, the aforementioned relaxation for PROI client from presence in India during digital KYC with

[25] *Paragraph 54 of the KYC Master Circular;*

[26] *Paragraph 61 of the KYC Master Circular;*

[27] *Circular no. HO/38/30/12(1)2025-MIRSD SEC FATF dated December 30, 2025, "Relaxation on geo-tagging requirement in India for NRIs while undertaking re-KYC";*

[28] *As per details published by FATF;*

[29] *Circular no. SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2025/119 dated August 28, 2025, "Technical Clarifications to Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)";*

Sl. No.	Category	Current process and concerns thereof	Proposal with rationale
			securities market intermediary shall be beneficial for PROI clients who already have a bank account. Further, the relaxation in requirement of physical location in India, for re-KYC, shall become available for all PROI clients in FATF compliant jurisdictions.
i	**Portability of KYC records**	As per the extant KYC verification process at KRAs, KYC records which are verified with source/ official databases are tagged as "validated" and are considered "portable" i.e. the client need not undergo the KYC process again while approaching another intermediary[30]. This includes verification of PAN, name, address, mobile number and email id. In December 2025, MEA permitted verification of certain fields in passport through Digi-locker. However, this benefit is only available for non-resident clients who have Aadhaar and Indian mobile number.[31] Similarly, verification of Aadhaar of PROI client is not feasible if he does not have an Indian mobile number. Similarly, verification of international mobile number of PROI client by intermediary is cumbersome and costly process.	To facilitate on-boarding of PROI clients (while outside India), the requirement of the KYC being "validated" may be relaxed for "portability". The attributes in the KYC record which have been source verified or validated with official database, shall be flagged appropriately. The said details shall be shared with other intermediaries which can in turn undertake additional checks, as appropriate, based on their risk assessment.
j	**Reliance on third party KYC**	• Rule 9(2) of the PMLR, *inter-alia*, provides that a reporting entity can rely on third party for client identification. This includes seeking KYC records of the client from the Central KYC Records Registry (CKYCRR). • Regulation 16(b) of the KRA Regulations, *inter-alia*, provides that *"when the client approaches another intermediary subsequently, the intermediary shall verify and download*	In order to facilitate retrieval of KYC record from the CKYCRR, the intermediaries shall be required to collect the CKYC ID[32], if available, with the client. Further, the intermediary can rely on KYC undertaken by an entity regulated by any of the other Financial Sector Regulators[33], as per record

[30] *Paragraph 101 of the KYC Master Circular;*

[31] *As per Digi Locker FAQ (https://www.digilocker.gov.in/web/about/faq), mobile number and Aadhaar number is required to signing up for Digi Locker account and the same will be authenticated by sending an OTP;*

[32] *The unique number or code assigned to a client by CKYCRR;*

[33] *Financial Sector Regulator includes the Reserve Bank of India, Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority and International Financial Services Centres Authority;*

Sl. No.	Category	Current process and concerns thereof	Proposal with rationale
		the client's details from the system of KRA".	obtained from the CKYCRR, through KRA. However, the intermediary shall have the ultimate responsibility for the KYC of its clients, by undertaking enhanced KYC measures commensurate with the risk profile of its clients.

V. Public comments:

13. In view of the above, public comments are being sought on the proposal, "whether SEBI should allow intermediaries to on-board individual PROI client digitally, without insisting on physical presence in India, provided the client is located in a FATF compliant country?"

    Accordingly, public comments are also sought on the following:

    13.1. Whether the intermediary may be permitted to accept the KYC form and OVDs, from the client, digitally, under electronic signature?

    13.2. Whether intermediary may be permitted to collect cropped image of specimen signature, when client submits the KYC digitally and verify the wet signature during VIPV?

    13.3. Whether verification of the mobile number of a PROI client by the intermediary may be relaxed?

    13.4. Whether intermediary shall be mandated to collect email id from client at the time of KYC?

    13.5. Whether the list of authorised officials for certifying documents after verification of original OVDs, may be extended to include authorised officials of branches of overseas banks with whom Indian banks have relationships?

    13.6. Whether the client may be permitted to self-declare the current address, if the client has submitted an OVD which can be verified with official or source database?

    13.7. Whether any additional safeguards are required to be specified with respect to VIPV wherein the requirement of physical location in India during "digital KYC" of a client is being relaxed?

    13.8. Whether the KRA may be permitted to share KYC record of the PROI client which are not validated or source verified with the intermediaries?

    13.9. Whether there are any additional comments on the on-boarding process for PROI clients as per draft circular?

14. A draft circular on "Review of KYC process for individual Persons Resident Outside India" is placed at **Annex-A**. The comments/ suggestions should be submitted latest by September 04, 2026, through the following link:

https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes

15. In case of any technical issue in submitting your comments through web based public comments form, you may write to "consultationMIRSD@sebi.gov.in", divyah@sebi.gov.in and shabeehp@sebi.gov.in with the subject, "*Public comments on Review of KYC process for Persons Resident Outside India*".

Issued on: August 14, 2026

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Annex-A

DRAFT CIRCULAR

To,

1. **All intermediaries registered with SEBI under Section 12 of the Securities and Exchange Board of India Act, 1992;**
2. **Recognised Stock Exchanges;**
3. **Recognised Clearing Corporations; and**
4. **Recognised Depositories.**

Dear Sir/ Madam,

Subject: Review of Know Your Client process for individual Person Resident Outside India clients

1. SEBI vide Master Circular SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October12, 2023 ('KYC Master Circular'), *inter-alia*, specified the Know Your Client (KYC) requirements for clients and intermediaries and a framework for validation of records by the KYC Registration Agencies (KRAs)[34].

2. In order to ease the process of on-boarding of individual Person Resident Outside India (PROI)[35] clients, it has been decided to review the existing provisions governing the KYC process. Individual PROI clients shall mean Non-Resident Indian (NRI)[36], Overseas Citizen of India (OCI)[37] and foreign nationals.

3. The extant KYC Master Circular *inter-alia* prescribes the framework for KYC onboarding of clients. The extant provision under the KYC Master Circular mandates the intermediary to ensure the physical location of the client to be in India during digital KYC and verify the mobile number and email id provided by the client through OTP or other verifiable mechanism.

4. Upon review of the said framework, and after taking into account the representations from market participants, the modifications being introduced *inter-alia* includes the following:

   4.1. The requirement of the investor being in India is being relaxed for digital on-boarding and the intermediary shall accept digital submission of KYC record and related documents from individual PROI client located in FATF compliant country.

   4.2. KYC Registration Agency shall treat all KYC records for individual PROIs as portable. Each attribute in the KYC record shall be individually tagged as "validated", by KYC Registration Agencies, if verified with official or source database.

   4.3. The intermediary shall permit the client to furnish a self-declaration of the current address, if the officially valid document is verified with official or source database.

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[34] *KYC Registration Agencies as per SEBI (Know Your Client Registration Agencies) Regulations, 2011;*

[35] *PROI is defined under section 2(w) of the Foreign Exchange Management Act, 1999, as a "person who is not resident in India";*

[36] *In terms of section 2(30) read with section 2(42) of the Income Tax Act, 1961, "non-resident" means a person who is not a "resident", and for the purposes of sections 92, 93 and 168, includes a person who is not ordinarily resident within the meaning of clause (6) of section 6 ibid; "resident" means a person who is resident in India within the meaning of section 6 ibid;*

[37] *OCI is defined under section 2 (ee) of the Citizenship Act, 1955;*

4.4. The intermediary may rely on the KYC undertaken by a SEBI registered intermediary or by an entity regulated by other financial sector regulators based on record obtained through CKYCRR.

4.5. The authorised official of the intermediary shall carry out Video In Person Verification of the client and the process shall be subject to concurrent audit.

5. Accordingly, the on-boarding of individual PROI clients through intermediaries and KRAs, are being detailed below:

5.1. The intermediary shall, at the time of commencement of an account based relationship, identify its client, verify the identity and obtain information on the purpose and intended nature of the business relationship.

5.2. When the client approaches an intermediary to initiate an account based relationship or update KYC, the intermediary shall seek the PAN and CKYC ID[38] from the client, if available. Thereafter, the intermediary shall retrieve the KYC records (i.e. information and documents) from the KRA and Central KYC Records Registry (CKYCRR) through KRA).

5.3. If the client record already exists, the intermediary shall obtain additional details from the client only when:

5.3.1. there is a change in the existing records of the client;

5.3.2. details retrieved are incomplete or are not as per extant norms;

5.3.3. the validity of the Officially Valid Document (OVD) or deemed officially valid document [39] has lapsed;

5.3.4. the intermediary considers it necessary to verify the identity or address; or

5.3.5. to perform enhanced due diligence (EDD) or to build an appropriate risk profile of the client.

5.4. The intermediary shall provide the updated KYC information to KYC Registration Agencies, who shall update the existing KYC record of the client and thereafter inform the intermediaries who have an account based relationship with the client.

5.5. The KYC Registration Agencies shall also furnish the KYC information and updates thereof to CKYCRR on behalf of the intermediary once KYC Registration Agencies are integrated with CKYCRR.

5.6. The KYC process shall involve the following aspects:

5.6.1. <u>PAN:</u>

a. The intermediary shall collect the PAN of the client and verify the same with the Income Tax Database, without insisting on producing the original PAN or providing a copy thereof.

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[38] *The unique number or code assigned to a client by CKYCRR;*

[39] *OVD and deemed to be OVD, as defined under the Prevention of Money Laundering (Maintenance of Records) Rules 2005 (PMLR);*

b. The KRA shall also verify the PAN and the name of the client, as mentioned in the KYC form, with the Income Tax Database. Accordingly, the said attribute shall be tagged as “validated” in the KYC record.

5.6.2. Passport:

a. The intermediary shall collect a copy of the Passport from the client.

b. The intermediary shall also collect Overseas Citizen of India (OCI) card from the client, as applicable.

c. The KRA shall also verify the passport of the client, if shared through Digi Locker. Accordingly, the same attribute shall be tagged as “validated” in the KYC record.

5.6.3. KYC form:

a. The intermediary shall collect the KYC information from the client, as per CKYC template prescribed for “individuals”, in physical or through app, website or digital mode.

b. The intermediary can collect the filled KYC form in any of the following manners:

i. original physical form; or

ii. scanned copy of physical form, under electronic signature[40]; or

iii. digital KYC form, under electronic signature.

5.6.4. Specimen signature:

a. The intermediary shall collect specimen signature from the client in any of the following forms:

i. wet signature on the physical KYC form; or

ii. cropped image of specimen signature, under electronic signature.

b. In case of digital submission of specimen signature, the client shall do wet signature before the intermediary during Video In Person Verification (VIPV), and the intermediary in turn shall verify if the said signature matches with the client’s submission.

5.6.5. Proof of Identity (PoI) and Proof of Address (PoA):

a. The intermediary shall collect any one of the specified officially valid documents or deemed officially valid documents, for proof of identity and proof of address, from the client. For this purpose, the current address for a PROI client shall be an overseas address.

[40] *“electronic signature” shall have the meaning as defined under the Information Technology Act, 2000;*

b. In case the officially valid documents presented by a foreign national does not contain the details of address, a document issued by a Government department of a foreign jurisdiction and letter issued by a Foreign Embassy or Mission in India can be collected by the intermediary as proof of address.

c. If a PROI client has provided an officially valid document which can be verified with official or source database and wants to provide a current address, different from the address mentioned in the officially valid document submitted, the client may give a self-declaration to that effect to the intermediary.

d. The intermediary shall verify the address mentioned in the KYC form with the address mentioned in the officially valid document or deemed officially valid document and with the official or source database, if feasible.

e. The KRA shall also verify the address mentioned in the KYC form with the address mentioned in the officially valid document or deemed officially valid document submitted by the client and with the official or source database, if feasible. Accordingly, the said attributes shall be tagged as "validated" in the KYC record.

f. The sub-clause d and e shall not be applicable for the self-declaration submitted by the client as per sub-clause c.

5.6.6. Original, Seen and Verified (OSV):

a. The intermediary shall see and verify the original of the officially valid document or deemed officially valid document submitted by the client, for proof of identity and proof of address and collect the physical self-attested copies of the same.

b. In case the original of the officially valid document or deemed officially valid document is not produced for verification, then the intermediary shall collect any of the following:

   i. equivalent e-document of officially valid document or deemed officially valid document through Digi Locker; or

   ii. equivalent e-document of officially valid document or deemed officially valid document, issued by the issuing authority through any verifiable mechanism; or

   iii. OTP or biometric or face authentication based Aadhaar e-KYC authentication; or

   iv. copy of officially valid document attested by any of the certifying authorities (i.e. Notary Public, authorised official of overseas branch of Scheduled Commercial Banks registered in India, branches of overseas banks with whom Indian banks have relationships, Court Magistrate, Judge, Indian Embassy or Consulate General of the country where the client resides).

c. The intermediary shall ensure that the details of the authorised official undertaking the OSV and the date and time stamp are recorded at the time of OSV.

5.6.7. Mobile number and email id:

a. The intermediary shall collect the mobile number and the email id of the client. The mobile number and email id recorded in Aadhaar may be preferred.

b. The intermediary shall verify the mobile number (if feasible) and the email id of the client through One Time Password (OTP) or any other verifiable mechanism.

c. The KRA shall also verify the mobile number (if feasible) and the email id of the client through One Time Password (OTP) or any other verifiable mechanism. Accordingly, the said attributes shall be tagged as “validated” in the KYC record.

5.6.8. In-Person Verification (IPV):

a. The intermediary shall carry out IPV of the client and ensure that the details of the authorised official undertaking the IPV and the date and time stamp are recorded at the time of IPV.

b. In case the physical IPV is not feasible, the intermediary shall undertake VIPV of the client, while ensuring the following:

i. the client consent is recorded in an auditable and alteration proof manner;

ii. the VIPV infrastructure has features of random action initiation for client response to establish that the interactions are not pre-recorded;

iii. the uninterrupted video recording contains the live GPS co-ordinates (geo-tagging) of the client undertaking the V-CIP and the date and time stamp through use of tamper proof technology;

iv. the VIPV infrastructure prevents connection from spoofed IP addresses, using VPNs or proxy servers;

v. the IP address of the client, as captured, emanates from India or from any of the Financial Action Task Force (FATF) compliant country[41] and matches with the country specified by the client in the KYC form and officially valid document or deemed officially valid document;

vi. the photo of the client is clearly captured in the VIPV process and matches with the photo submitted by the client in the form and officially valid document or deemed officially valid document;

vii. there is end to end encryption of data between customer device and the hosting point of application/ digital platform at the intermediary;

viii. the authorised official of the intermediary undertakes the VIPV of the client;

[41] *As per details published by FATF;*

ix. the VIPV infrastructure uses components which verify face liveness and detect spoofs, if any; such liveliness check does not result in exclusion of person with special needs; and

x. the VIPV process is subject to concurrent audit, to ensure the integrity of process and its acceptability of the outcome.

c. The intermediary may incorporate additional safety and security features in the VIPV process, as per its risk management policy.

5.6.9. Reliance of third party KYC:

a. The intermediary may rely on the KYC undertaken by another SEBI registered intermediary, as per record obtained from the KRA, with tagging for the attributes thereof which have been verified.

b. The intermediary may also rely on the KYC undertaken by an entity regulated by any of the other Financial Sector Regulators[42], as per record obtained from the CKYCRR, through KRA.

c. The intermediary shall have the ultimate responsibility for the KYC of its clients, by undertaking enhanced KYC measures commensurate with the risk profile of its clients.

5.7. Upon completion of the KYC of individual PROI client, the intermediary shall provide the KYC information to KYC Registration Agencies within 3 working days from the date of completion of KYC process.

5.8. The aforementioned process shall also be applicable for re-KYC of the client in a FATF compliant country.

5.9. The intermediary shall ensure that the infrastructure used for the KYC process is in compliance with the Cyber Security and Cyber Resilience Framework issued by SEBI.

6. In cases where an individual foreign national seeks registration as a Foreign Portfolio Investor (FPI), the provisions of Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors ref. no. SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/70 dated May 30, 2024 or amendments thereof, shall be applicable.

7. The provisions of this circular shall come into effect thirty (30) days from the date of issue of this circular i.e. from ______. Accordingly, the following shall come into effect:

7.1. the provisions of this circular shall become applicable for on-boarding of all PROI clients except clients in FATF non-compliant countries;

7.2. the provisions of the KYC Master Circular and the circular ref. no. HO/38/30/12(1)2025-MIRSD-SEC-FATF dated December 10, 2025, regarding, "*Relaxation on geo tagging requirement in India for NRIs while undertaking re KYC*", shall stand superseded, to such extent;

7.3. for clients residing in FATF non-compliant countries, the extant KYC process shall continue to be applicable; and

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[42] *Financial Sector Regulator includes the Reserve Bank of India, Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority and International Financial Services Centres Authority;*

7.4. for KYC undertaken by intermediaries prior to the date of this circular coming into effect, shall continue to be governed by the extant KYC provisions.

8. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

9. This circular is available on the SEBI website at www.sebi.gov.in under the category, 'Legal → Circulars'.

Yours faithfully,

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