

To,

21<sup>st</sup> December, 2016

**Ms. Barnali Mukherji, CGM**  
**HoD - Division of Funds-1**  
**Venture Capital Investment Management Department,**  
**Securities Exchange Board of India,**  
**Plot No. C4-A, 'G' Block,**  
**Bandra Kurla Complex,**  
**Bandra (East),**  
**Mumbai - 400051.**

**Re: Representation with respect to the timelines and implementation of Central KYC Records Registry ("CKYCR") for Individuals**

Respected Madam,

By way of introduction, IVCA represents more than 100 private equity and venture capital funds. IVCA actively engages with SEBI to help develop India's AIF market in order to increase the flow of long-term capital to ventures in India.

This is with reference to the circular nos. CIR/MIRSD/66/2016 and CIR/MIRSD/120/2016 issued by the Securities and Exchange Board of India (SEBI) on July 21, 2016 and November 10, 2016 respectively, pertaining to CKYCR.

On behalf of IVCA members, we would like to share our inputs on the issues which, in our view, would impact the implementation of the above mentioned circulars.

### **Operational issues**

As per the operating guidelines of CKYCR, funds are required to designate two administrators for each CKYCR registration. For each registration, they are required to have a distinct set of two administrators. Further, administrators need to have digital signature, process of applying and obtaining digital signature requires atleast 5-6 working days.

In case where there are multiple Alternative Investment Funds for which an Asset Management Company is acting as the Investment Manager, it is not feasible to have a distinct set of administrators as the total strength of employees in the KYC department may not be sufficient as well as cost-effective to have the distinct set of administrators.

**Uploading KYC details on CKYCR for existing accounts:**

The circular requires 50% uploading of existing KYC data on Central Registry of Securitisation Asset Reconstruction and Security Interest of India (“CERSAI”) platform by November 30, 2016 and the remaining 50% of KYC data by December 31, 2016.

- In this regard, there are differences in the data and document requirements between KYC Registration Agency (“KRA”) and CKYCR where CKYCR requires capturing of additional data fields and documents. For example, additional data fields required under CKYCR include Mothers name, occupation type, residence for tax purpose, TIN – if applicable, etc. which are different from CERSAI requirements. We have been informed by CERSAI, that the data for the existing accounts would not be acceptable unless all mandatory fields are captured as per CKYCR requirements. We may therefore need to contact our customers for these details which could be a time consuming exercise.
- IVCA therefore requests the acceptance of the currently available KRA-KYC information for existing records in the KRA-KYC format and thereafter, any intermediary opening a new account to update all the required information and/or documents as per CKYCR requirements.

**Uploading of KYC details on KRA**

We would also like to bring to your notice that it is not clear as to whether the records are required to be uploaded only on the CKYCR platforms or whether the records are required to be uploaded both on KRA and CKYCR platforms. Further, it is not clear as to whether the existing process of uploading the KYC information and documents on the KRA platform for individuals needs to be discontinued including placing reliance on existing KRA compliant records of individuals for purpose of completing KYC. Currently, it appears to be a duplication of the efforts and information / documents on both the KRA and CKYCR platforms.

Given the challenges mentioned above, we sincerely request you to consider the below suggestions:

- (i) For new individual accounts (opened on or after August 01, 2016): Provide time upto January 31, 2017 to update the information of new individual accounts in the CKYCR system.
- (ii) For existing individual accounts: There should be a mechanism whereby the KRAs can migrate/transfer the data available with it to the CKYCR system directly. This will also prevent the duplication of data upload for the same client by multiple intermediaries. For new customers however, there may be duplication of efforts for us as we would have to upload the KYC documents of clients both at KRA as well as CKYCR. Immediate steps could be taken to create an electronic interface between the two agencies

  
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(KRA and CKYCR) enabling them to share the details electronically. The same would help the intermediaries to upload the KYC detail of the clients at either portal, obviating duplication of efforts. However, as presently there is no interface between KRA and CKYCR, we request you to provide extension of time till June 30, 2017 for uploading KYC of existing individual accounts.

We request your kind consideration of the above and provide us with an opportunity to meet and discuss the same. Please let us know in case you need further information from our side.

In conclusion, we request you to provide extension of time till January 31, 2017 for updating the records of the new accounts opened on or after August 1, 2016 in the CKYCR system and provide extension of time till June 30, 2017 for updating the records of the existing customers in the CKYCR system.

Thanking you,

Yours sincerely,



**Rajat Tandon**  
**President, IVCA**  
**09810090194**

**cc: Aakriti Bamniyal, AVP, IVCA, 097 1111 001; Yogesh Arora 095400 84999**

**Cc:**

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