

**FREQUENTLY ASKED QUESTIONS ON SEBI CIRCULAR NO. CIR/MIRSD/29/2016 DATED JANUARY 22, 2016 ON "KNOW YOUR CLIENT REQUIREMENTS - CLARIFICATION ON VOLUNTARY ADAPTATION OF AADHAAR BASED E-KYC PROCESS"**

**1. Whether intermediaries are required to carry out in-person verification (IPV) of the client, if KYC verification of the client is carried out through Aadhaar based e-KYC service offered by UIDAI as per the aforementioned SEBI Circular?**

Ans: In-person verification of the client is not required to be carried out, if:

- a. Verification of the client with UIDAI is carried out through biometric authentication (fingerprint or iris scanning).
- b. Verification of the client with UIDAI is carried out through one time password (OTP) received on client's mobile number or on e-mail address registered with UIDAI provided, the amount invested by the client does not exceed Rs. 50,000 per financial year per Mutual Fund and payment for the same is made through electronic transfer from the client's bank account registered with that Mutual Fund

**2. What is the online eSign Electronic Signature Service and whether it is a legally valid signature?**

Ans: As per FAQs on e-Sign available on the website of Controller of Certifying Authorities (the Controller), Ministry of Communications and Information Technology (<http://cca.gov.in/>):

- a. eSign Electronic Signature Service is an innovative initiative by allowing easy, efficient, and secure signing of electronic documents by authenticating signer using Aadhaar eKYC services. With this service any Aadhaar holder can digitally sign an electronic document without having to obtain a physical digital signature dongle.
- b. The Electronic Signatures facilitated through eSign Online Electronic Signature Service is legally valid provided eSign signature framework is operated under the provisions of Second Schedule of the Information Technology Act, 2000 and guidelines issued by the Controller.

**3. Whether KYC form is required to be filled by the client and put his / her signature on the same, if KYC verification of the client is carried out through Aadhaar based e-KYC service offered by UIDAI as per the aforementioned SEBI Circular?**

Ans: If KYC verification of the client is carried out through Aadhaar based e-KYC service offered by UIDAI as per the aforementioned SEBI Circular and PAN of the client is verified from the income tax website, the information downloaded from UIDAI shall be considered as sufficient information for the purpose of KYC verification and the client is not required fill up the KYC form and put his / her signature on the same.