

Public comments on the on draft IFSCA (KYC Registration Agency) Regulations, 2025

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
1	2(e)	"KYC Registration Agency" or "KRA" means an entity which has been granted certificate of registration under these regulations;	IFSCA - KYC Registration Agency' or 'IFSCA KRA' refers to an entity that has been granted a certificate of registration under these regulations;	As KRA is regulated by IFSCA, hence mentioned as IFSCA KRA to enable differentiation.
2	3	Application for grant of certificate of registration An entity desirous of obtaining a certificate of registration as a KRA in IFSC shall submit, electronically or otherwise, an application form in the format, along with the application fees, as specified by the Authority	The Registration Fee, formats, and schedule, along with general details of the applicant and its affiliates, are not included	The regulation should clearly specify the format and required documents for registration, as well as the format of the Registration Certificate.
3	5	The AML-CFT Guidelines have been prepared in accordance with the recommendations of the Financial Action Task Force (FATF), the Prevention of Money Laundering Act, 2002 (PMLA), the PML Rules and the best practices prevailing in the AML-CFT regulatory regimes across the globe.	UNSC Sanction to be updated. Incorporate clear requirements for independent KYC validation. Mandate periodic reporting to IFSCA on AML compliance. Establish audit requirements similar to SEBI's framework, ensuring oversight of AML-related risks.	The investment in IFSCA sectors spans across the globe. it may be mentioned that the respective entities are responsible for checking the sanctions list for respective country. For example, the list available at: OFAC Sanctions Programs and Country Information. The draft references the AML-CFT guidelines but does not explicitly outline the obligation for KRAs to independently validate KYC records. Additionally, it does not provide a comprehensive mechanism for reporting non-compliance or

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				deviations. While cybersecurity compliance is highlighted, the AML-specific measures are less detailed compared to SEBI's framework.
4	8(c)	the applicant satisfies the eligibility criteria, net worth and fund allocation requirements, if applicable, as specified in these regulations;	The criteria for fund allocation requirements, including the quantum of funds needs clarity	Clarification Needed
5	11	Surrender of Registration - A registered KRA may file an application with the Authority for surrender of its registration	This regulation should also outline the process for surrender, including the methodology (e.g., transfer of KYC records to another KRA). If only one KRA exists, the regulation should specify how the process is to be carried out.	Clarification Needed
6	13 (f)	documents relating to account opening of each Client and any power of attorney or signature authority forms of the Clients	<p>Regulation 13:</p> <p>KRA-Related Documents: This section covers the documents related to the KRA.</p> <p>Registration Documents: This section addresses the registration documents obtained from Reporting Entities (REs) by the KRA for the purpose of providing services.</p>	Structure and redraft of Regulation 13, with appropriate segregation may be needed

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7	15	<p>Redress of grievances - 15.</p> <p>(1) A KRA shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority.</p> <p>(2) The KRA shall maintain records regarding investor grievances received by it and redress of such grievances.</p>	The grievance redressal process by the KRA should be completed within 21 calendar days.	The IFSCA KRA regulations may have specific provisions related to the grievance redressal mechanism for clients. This is important for ensuring that clients have a channel to address any issues or complaints.
8	15 B (a)	A KRA shall obtain the KYC documents of the Client from the Regulated Entity in terms of the AML-CFT Guidelines.	A KRA shall receive the KYC documents of the Client from the Regulated Entity in terms of the AML-CFT Guidelines.	KYC Documents as specified under PMLA Rules read with PMLA are required to be submitted to KRA by REs.
9	15 B (j)	KRA shall be compliant with the provisions of the Digital Personal Data Protection Act 2023.	KRA shall be compliant with the provisions of the Digital Personal Data Protection Act 2023 or General Data Protection Regulation.	Given that the investors/clients, as the case may be, will be foreign, clarification is sought regarding the applicability of the Digital Personal Data Protection Act, 2023, the General Data Protection Regulation (GDPR), or both.
10	15 (E) A	Principal Officer - The Principal Officer of a KRA shall be based out of the IFSC and shall have the	Role of Principal Officer to be specified	Role of Principal Officer to be specified

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		following minimum qualification and experience:		
11	15 (E) A (a) and (b)	A professional qualification or post-graduate degree or post graduate diploma (minimum one year in duration) in finance, law, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognised by the Central Government or any State Government or a recognised foreign university or institution or association or a CFA or a FRM from Global Association of Risk Professionals; and (b) An experience of at least five years in the financial markets	A graduate degree in finance, law, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognised by the Central Government or any State Government or a recognised foreign university or institution or association or a CFA or a FRM from Global Association of Risk Professionals; and (b) An experience of at least five years or person designated as 'Manager' with eight-year experience in the financial markets	lower the qualification and experience. Working professional with experience added.
12	20	Payment of Fees- A KRA shall pay the fees as may be specified by the Authority or the market infrastructure institutions from time to time.	An annual fee and renewal fee shall be specified, with the payment due on a yearly basis. The payment for the annual fee must be made within [specify time period] of the registration date, and subsequent renewal fees should be paid annually,	Amount and Payment interval, mode and details for Payment to be mentioned so that applicant can ascertain costs involved

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			within [specify time period] before the expiration of the current registration period	
13	23(p)	KRA shall send a letter to each Client after receipt of the KYC documents from the Regulated Entity, confirming the Client's details thereof.	KRA shall send an letter via email or physical to each Client after receipt of the KYC documents from the Regulated Entity, confirming the Client's details thereof.	Acknowledgment letter to sent via email for records, were email ids are available and rest in physical or other suitable mode (with proper maintenance of logs).
14	24	Functions and obligations of a Regulated Entity - new points to be added	<p>KYC Feed Consumption by Regulated Entities (REs): Regulated Entities (REs) are required to consume the KYC feeds provided by the KYC Registration Agency (KRA) and ensure that the client information is updated in their respective systems as per the disseminated data.</p> <p>De-Linking of KYC from REs: As per the communication received from the client regarding the closure of an account-based relationship with any RE, the KRA will de-link the respective KYC feed from such REs to ensure accurate and up-to-date records.</p>	New points added on KYC Feeds consumption by REs, De-link of KYC from REs and Re KYC.

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			Re-KYC Process: The KRA will facilitate the Re-KYC process as required under the Prevention of Money Laundering Act (PMLA) and other applicable regulations, ensuring that all updated client information is recorded and maintained by the REs.	
15	Schedule 1 - Point no 26	A KRA shall follow maker-checker concept in its activities to ensure accuracy of data	A KRA shall implement an automated system with built-in validation mechanisms to ensure data accuracy, minimizing manual intervention and ensuring proper oversight	Maker checker process in relevant if the process is manual in nature. Needs to be reworded
	-	-	Online KYCs/ Digital KYC	Regulation related to online KYC/ Digital/ App based KYC to be framed and covered
16	22	A KRA shall obtain the KYC documents of the Client from the Regulated Entity in terms of the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 or any other rules, regulations, guidelines and circulars issued by the Authority or Central	<ul style="list-style-type: none"> It may be clarified whether all category of customers i.e. resident, IFSC based, or non-resident individuals and non-individuals (including banks) would be under purview for uploading KYC information on the KRA Portal. 	<p>As per para no 11 of the draft guidelines, an exemption has been provided for the foreign nationals transacting in IFSC from the storage, safekeeping and retrieval of their KYC records on CKYC Portal.</p> <p>Hence it may be clarified on category of the customers which will under purview of KRA</p>

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		Government for Prevention of Money Laundering, from time to time.	<ul style="list-style-type: none"> In case of legal entities as customers, whether KYC information of beneficial owners and authorised signatory is required to be uploaded may be clarified. 	
17	23	<p>Functions and obligations of the KRA</p> <p>(N) KRA shall enter into an agreement with Regulated Entities before granting access to the KRA database services</p> <p>(P) KRA shall send a letter to each Client after receipt of the KYC documents from the Regulated Entity, confirming the Client's details thereof.</p>	<ul style="list-style-type: none"> Registration process with the KRA of the regulated entities in the IFSC may be prescribed along with the timelines. <p>It may be clarified whether any unique identifier would be there in the letter by KRA to each client which can be provided by client to another RE for completing the KYC. Unique identifiers for downloading client details from the system of KRA may be prescribed as common standards</p>	<ul style="list-style-type: none"> Common registration process and timelines will streamline the registration of each entity with KRA. <p>Issue of unique identifiers to the customers and regulated entities would help to access the customer data on the KRA portal. In onshore India, CKYCR number is provided to the customer which is shared by customer with another entity for completing CDD with another RE. Based on the identifier, RE is able to download details from the system</p>
18	Chapter III, Point no 24 (a)	The Regulated Entity shall perform the initial KYC/due diligence of the Client, upload the KYC information with	<ul style="list-style-type: none"> Timelines for upload of the document by Regulated entities on the system of the KRA and whether same 	<ul style="list-style-type: none"> Phase-wise timeline may be provided to the entities to upload the KYC information of the existing customers on the KRA portal so that customer is not required to submit KYC

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		<p>proper authentication on the system of the KRA, furnish the scanned images of the KYC documents to the KRA, and retain the physical KYC documents</p>	<p>is required to be informed to the customers may be prescribed/clarified.</p> <ul style="list-style-type: none"> • Timeline for uploading existing KYC records of legal entities and individual clients of the regulated entities in IFSC on KRA portal by regulated entities may be clarified in the circular. • It may be clarified whether regulated entities who are Reporting Financial Institution (RFI) under Income Tax Rules shall upload the FATCA and CRS certifications obtained from the clients onto the system of KRAs. 	<p>documents while availing facilities with another RE.</p> <ul style="list-style-type: none"> • As per SEBI Circular dated June 6, 2024, “KRAs shall ensure that existing KYC records of legal entities and of individual clients are uploaded on to CKYCRR within a period of 6 months from August 01, 2024”. • As per SEBI circular dated February 20, 2024, the intermediaries, who are RFI, shall upload the FATCA and CRS certifications obtained from the clients onto the system of KRAs with effect from July 01, 2024. The existing certifications obtained from clients prior to July 01, 2024 shall be uploaded by the intermediaries onto the systems of KRAs within a period of 90 days of implementation of this circular.
19	25(3)	<p>Sharing of KYC information in the financial sector</p> <p>The system of KRA may be connected with any central KYC registry authorised by the Central Government for the purpose of collation and sharing of the KYC information in the financial sector</p>	<ul style="list-style-type: none"> • It may be clarified whether KRA shall upload the KYC information on CKYCRR within 7 days of receiving information. 	<ul style="list-style-type: none"> • As per SEBI circular dated June 6, 2024, “KRAs shall upload the verified/validated KYC information onto the system of CKYCRR within 7 days of receiving the same from intermediaries or any other timeline as notified under PML Rules. The KRAs shall integrate their systems with CKYCRR and commence the uploading of KYC records on CKYCRR from August 01, 2024”.

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				As per SEBI Circular dated June 6, 2024, "KRAs shall ensure that existing KYC records of legal entities and of individual clients are uploaded on to CKYCRR within a period of 6 months from August 01, 2024".
20	Chapter - I, Section 2 (d)	"Foreign Jurisdiction" means a country, other than India, whose securities market regulator is a signatory to International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A signatories) or a signatory to bilateral Memorandum of Understanding with the Authority, and which is not identified in the public statement of Financial Action Task Force as: i. a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or ii. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies;	Instead of "Foreign Jurisdiction", it may be referred to as "Recognized / Designated Foreign Jurisdiction)	Any place outside IFSCA, in general is "foreign". Since there are stated exclusions, the suggested terminology maybe proper and appropriate.

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21	Chapter II - point 3	An entity desirous of obtaining a certificate of registration as a KRA in IFSC shall submit, electronically or otherwise, an application form in the format, along with the application fees, as specified by the Authority.	An entity desirous of obtaining a certificate of registration as a KRA in an IFSC shall submit, electronically or otherwise, an application form in the format, along with the application fees, as specified by the Authority.	Grammatical
22	Chapter - II, point 5	An entity seeking registration as a KRA shall maintain the net worth of at least USD 1 Million and the same shall be maintained at all times.	There is no mention of who monitors this limit. It may be useful if some MII in IFSCA (such as an exchange) monitors this in addition to regulatory reporting as intended.	An independent third party should monitor these limits, just as in India, the MIIs in securities markets monitor limits amongst each other on a periodic basis.
23	Chapter - II, point 6 (2) (b)	the person has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against securities laws;	Conviction in the past (ever) or past few years?	This clarity can remove the ambiguity and not allow KRAs to conveniently interpret regulations.
24	Chapter - II, point 7 (2)	A KRA shall designate a person, based out of IFSC, as its Compliance Officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Authority or the Central Government.	IFSCA could add as under: .. or various relevant authorities of the Government	There could be possible ambiguity equating Central Government to mean only ministries such as MHA. Considering the changes suggested, it may specifically cover and include all government authorities / bodies. As an example - Directorate General of Audit (DGA), Central Board of Indirect Taxes and Customs (CBIC).
25	Chapter - II, point 7 (3)	The compliance officer shall immediately and independently	The compliance officer shall immediately and independently report to	Observance by him is understood and removing these words will also make the sentence gender neutral

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		report to the Authority any non-compliance observed by him.	the Authority any non-compliance.	
26	Chapter - II point 7	None	Should consider adding another point 5 as 'a KRA should have an internal audit function'.	Internal audit is the third line of defense for ensuring continuous compliance and a good internal control considering various compliances that have to be met. Also, an external audit can (and does) rely on an internal auditor's report in addition to performing its own checks on internal controls and compliances
27	Chapter - II, point 8 (a)	the applicant or its Principal Officer has adequate past experience in the activities for which it is desirous of obtaining a certificate of registration;	<p>This is not congruous with earlier points 7 (a) and (b). 7 (b) states that the experience of financial markets is necessary.</p> <p>In this point 8(a), it states that the past experience must be adequate in the activities that the applicant or PO is desirous of obtaining a certificate of registration</p> <p>It could be stated as "... relevant experience in financial / non-financial markets where KYC and PMLA and its Rules were adhered to/complied with"</p>	Financial markets experience may not be same as experience in the activities of a KRA.
28	Chapter - II, point 8 (g)	the applicant or its Principal Officer is subject to any proceeding for breach of law by the Authority.	the applicant or its Principal Officer is subject to any proceeding for breach of law or	IFSCA need to perhaps add breach of regulations also as a breach of law and authority is a violation when a registration is being sought

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			<u>regulations</u> issued by the Authority.	
29	Chapter - II, point 13	<p>A KRA shall maintain and preserve the following books of accounts, records and documents, in electronic retrieval form for a minimum of eight years, namely: -</p> <p>(g) relevant records and documents relating to its activities</p>	<p>PMLA requires documentation requirements for ten/five years for transactions/documents.</p> <p>IFSCA AML Guidelines state - The Regulated Entity shall preserve all necessary records, for at least six years or for such period as prescribed under the applicable laws, from the date on which business relationship has ended or transaction is completed</p>	<p>Aligning the period with the IFSCA AML guidelines would be better in order to be synchronous, unless intended for some other reason as eight years in the proposed KRA regulations.</p> <p>Does point (g) relate to client records? It seems implied and there is no mention of “physical” copies of client records and its storage, PMLA stipulates physical storage of records (Rule 10 (1)).</p>
30	Chapter - II, point 15	None	IFSCA may add a point (3) by stating that the KRA shall appoint an investor grievance committee of its governing board to review the investor grievances and suggest measures to strengthen investor experiences/ internal controls etc	This will strengthen internal governance and also provide assurance to investors, commitment from KRA to improvise continuously. IFSCA can sense the compliance and commitment during inspections by checking the minutes of committee meetings and actions taken.
31	Chapter - II, point 18 (1)	A KRA shall have a sound risk management system for comprehensively managing risks.	A KRA shall have a sound risk management system for comprehensively managing risks. Risk Assessment conducted	It is imperative that the KRA conducts a risk assessment and documents it, so that there is inherent resilience and also help it manage its risk mitigation plans better.

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			<p>shall be documented and made available to any Authority upon request. Such documentation shall be reviewed annually</p>	<p>The risk management committee of a KRA can then monitor this compliance.</p>
32	Chapter - II, point 21 (3)	A KRA shall have additional audits and submit such reports as may be specified by the Authority from time to time.	<p>It may be better to state <u>specifically</u> about:</p> <p>a. Need for an audit committee</p> <p>b. Concurrent audit for daily operations Annual systems audit</p>	<p>Makes the KRA operations resilient, always well governed and well supervised/managed and accountable.</p>
33	Chapter - III, point 23 (d)	KRA shall have a secure data transmission link with other KRA(s) and with each Regulated Entity that uploads the KYC documents on its system and relies upon its data.	KRA shall have a secure data transmission link with other KRA(s) and with each Regulated Entity that uploads the valid KYC documents on its system and relies upon its data.	<p>It is necessary to state everywhere across the document that only <u>valid</u> KYC documents should be accepted.</p> <p>Also, procedural guidelines in terms of what to do when a valid document expires (for ex, a passport, driving licence expires). Should a KRA inform the RE / Investor in advance, flag a KYC record as invalid etc?</p>
34	Chapter - IV, point 26 (b)	to ensure that the provisions of the Act, the regulations and circulars made thereunder, are complied with;	to ensure that the provisions of the Act, the regulations and circulars made thereunder, are complied with at all times ;	<p>Continuous compliance is a must</p>
35	Chapter - IV, point 27 (1)	Where an inspection of a KRA is undertaken by the Authority, such KRA and every Principal Officer, proprietor, partner,	Where an inspection of a KRA is undertaken by the Authority, such KRA and every Principal Officer,	<p>Independent directors shall provide a good layer of governance from the top and they also ensure checks and balances to the functioning of KRAs.</p>

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		designated partner, trustee, director, chairperson, officer, employee and any agent of the KRA shall provide all assistance and cooperate with the Inspecting Authority and shall furnish books of accounts, records and documents to the Inspecting Authority with such statements and information relating to its activities within such time as decided by the Inspecting Authority.	proprietor, partner, designated partner, trustee, director(s) <u>including independent directors</u> , chairperson, officer, employee and any agent of the KRA shall provide all assistance and cooperate with the Inspecting Authority and shall furnish books of accounts, records and documents to the Inspecting Authority with such statements and information relating to its activities within such time as decided by the Inspecting Authority.	
36	Chapter V is missing			
37	Chapter VI, point 31	The Authority may call for any information, documents or records from a KRA.	The Authority <u>or the Director - FIU-IND</u> , may call for any information, documents or records from a KRA. Requested documents may be submitted within the timelines stipulated in the requests. The PO shall be responsible for timely submission	Timelines may ensure that the record keeping is well adhered to

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38	Chapter VI, point 33 (2)	For seeking relaxation under sub-regulation (1), an application, giving details and the grounds on which such relaxation has been sought, shall be filed with the Authority along with a non-refundable fee as may be specified by the Authority.	If sub-section (1) under which section is stated it would bring clarity	For better clarity of reference section
39		Standard Operating Procedures (SOP)	Not stated in the guidelines	KRAs must have a well documented SOP for its operations
40		PMLA and its Rules have no mention in the regulations	They need to be mentioned as there are references to them in these guidelines	PMLA and its Rules have a bearing upon IFSCA AML Guidelines and the proposed KRA Guidelines need to be aligned with PMLA and its Rules
41		Uniformity of fonts	Fonts need to be uniform across the document	For better readability
42		KRA status as a reporting entity (RE)	Is the KRA a reporting entity?	In the event that a KRA notices by design using a screening solution or by accident, say a banned entity – do they have an obligation to file a STR? In India, RTAs and Depositories are RE's. In order to build efficiency in the ecosystem, the KRAs should also be responsible reporting entities also – at least screen the investors. Risk is high being in an IFSC
43		RTAs and their use of KRA services	Role of a RTA and their use of KRA services	No mention of a RTA and their role in consuming KRA records for reporting entities unless covered under the term reporting entities
44		Alteration of client records	KRAs shall not alter client records without proper reasons and with senior management approval	This can prevent record manipulation by staff if not supervised

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45		Staff Training	Staff shall be trained on a continuous basis on all aspects of the Act, Laws and various developments in the related business areas	Staff training is integral to the understanding of business and their knowledge enhances the obligations adherences also.
46		Insurance	KRAs must have adequate insurance coverage to protect itself and reporting entities from any disaster or force majeure situations	This is required in the interest of all stakeholders and must be made mandatory with sufficient cover
47		Alteration of client records	KRAs shall not alter client records without proper reasons and with senior management approval	This can prevent record manipulation by staff if not supervised
48		Disaster Recovery and Business Continuity Plan (DRBCP)	The KRAs shall put in place adequate DRBCP measures to insulate itself from and down time from its main operational site.	This is required for continuity of business with little disruption to support business at all times. A hot site supported by a warm and cold site is ideal.
49	Regulation 7 - Appointment of Principal Officer, Compliance Officer and other human resources	(1) A KRA shall have at least one person designated as Principal Officer based out of IFSC, who shall have: (a) A professional qualification or post-graduate degree or post graduate diploma (minimum one year	A specific provision with regards to continuous education/updation of skills (particularly in cyber security & data privacy) with regard to such persons may be established. Such continuous education and updation of skills may be prescribed by IFSCA, as per the requirements of	Appointment of officers and human resources is a very important and core process of KRAs. However, if continuous education measures are not undertaken, the business environment in a business forward thinking city like GIFT city would not be able to thrive. Such a measure can help foster an innovative regulatory environment where agencies would be able to operate at maximum operational efficiency, due to constant learning and evaluation of newfound skills. This would also provide confidence to future investors and increase prospects of investment in GIFT city.

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		<p>in duration) in finance, law, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognized foreign university or institution or association or a CFA or a FRM from Global Association of Risk Professionals; and An experience of at least five years in the financial markets.</p> <p>(2) A KRA shall designate a person, based out of IFSC, as its Compliance Officer who shall be responsible for</p>	<p>dynamic business environments. The IFSCA may consider introducing annual Credit Hours (CPE Hours) requirements for compliance officers.</p>	

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		<p>monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Authority or the Central Government.</p> <p>(3) The compliance officer shall immediately and independently report to the Authority any noncompliance observed by him.</p> <p>A KRA shall have adequate manpower commensurate with its business activities in an IFSC.</p>		
50	Regulation 9 - Grant of Registration	<p>(1) An entity shall be eligible to be registered as KRA only if it belongs to one of the following categories, namely:</p> <p>a wholly owned subsidiary of a stock exchange recognized in India, in IFSC or in Foreign Jurisdiction; or</p> <p>a wholly owned subsidiary of a depository recognized in India, in IFSC or in Foreign Jurisdiction; or a wholly owned subsidiary of a KRA</p>	<p>SEBI guidelines on KYC also provide that there should not be any conflict-of-interest present between KRA and its activities in the IFSC. A requirement of non-conflict of interest should be added or a disclosure to IFSCA about such conflict of interest should be made, wherein the authority would reserve the right to grant registration after such disclosure.</p> <p>In addition to it, SEBI also allows for extension of the</p>	<p>Disclosure about conflict of interest promotes transparency and fair practices as a part of good governance. Additionally, extension of time allows the KRAs to rectify mistakes made by them in the initial stages due to administrative oversights.</p>

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		<p>registered in India, in IFSC or in Foreign Jurisdiction.</p> <p>(2) The Authority may, after considering the application and on being satisfied that the applicant has complied with the conditions laid down in these regulations and is eligible to act as a KRA, and upon receipt of registration fees (as specified by the Authority), grant registration to the applicant subject to the conditions as the Authority may deem fit.</p> <p>(3) If the Authority is of the opinion that the registration cannot be granted, it shall communicate the deficiencies to the Applicant giving it thirty days' time to rectify them.</p>	<p>time period by such further time, as it deems fit, in order to enable the applicant to remove the objections indicated by the Board. Similarly, if the application made to IFSCA have some errors or objections, a stipulated extension of time should be given by IFSCA to rectify the same.</p>	

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		<p>(4) If the Applicant fails to rectify such deficiencies to the satisfaction of the Authority within the specified time, the Authority may refuse to grant registration and shall communicate the same to the Applicant, giving reasons for such refusal: Provided that no such refusal shall be made by the Authority without giving the Applicant an opportunity to make written submissions on the grounds on which the registration is proposed to be refused.</p> <p>The KRA shall comply with any other condition as may be imposed by the Authority as it deems fit in the interest of the investors or orderly development of the securities market or for regulating the working of the KRA, in an IFSC. The registration granted to a KRA may be withdrawn by the Authority only after giving a</p>		

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		reasonable opportunity of being heard.		
51	Regulation 12 - Code of Conduct	A KRA shall abide by the Code of Conduct as specified in Schedule I.	Whistleblower provisions under Code of conduct- A whistleblower provision should be present to report violations or misconduct within the KRA. The whistleblower can be allowed to report directly to IFSCA to report such acts of conduct.	Encouragement of ethical practices and accountability serve as the basis for good governance. While it is important that confidentiality should be respected by a KRA, it is equally important that an entity dealing with such confidential information of entities and investors on a daily basis provide for whistleblower mechanisms to ensure that KRAs are working in a manner envisaged by the authorities. The whistleblower can help bring attention to those KRA's who are not processing information with the standards set up by IFSCA.
52	Regulation 15 - Redress of grievances	(1) A KRA shall take adequate steps for redress of grievances of the investors in accordance with the requirements as may be specified by the Authority. (2) The KRA shall maintain records regarding investor grievances received by it and redress of such grievances.	There is a need to establish a clear deadline (E.g.: 30 or 60 days) for fast resolution process of such redressals. This can be supplemented by a resolution board under IFSCA who would have the final say in accordance with such grievances, who can relax or impose further conditions as necessary, along with reasons for the same.	A fast and investor friendly dispute resolution process serves as a building block for generating more investments and attracting more investors due to ease of doing business. The investors are bound to feel apprehensive of a system which is not time friendly from the start. A specialised board regarding appeal matters also helps in keeping a check in how KRA's are performing, while encapsulating the doctrine of Audi Alterum Partem and Right to Reasoned Decision.
53	Regulation 23- Functions and obligations of the KRA	The KRA has the following functions and obligations –	The elongated regulation lacks clarity as it blends technical and procedural elements into a single elongated section. The	There is a need to enhance readability of stakeholders to ensure that the processes do not seem complicated for a city whose foundation has been based on ease of doing business model.

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
		<p>a. KRA may prepare the Operating Instructions in coordination with other KRA(s) and issue the same to implement the requirements of these regulations.</p> <p>b. KRA(s) shall have electronic connectivity and with other KRA(s) in IFSC in order to establish interoperability among KRAs.</p> <p>c. KRA(s) may also have electronic connectivity with the KRA(s) registered with SEBI to establish interoperability among KRAs of both the jurisdictions. Explanation: Interoperability means the ability of the KRA to determine whether the KYC documents of the Client are in the custody of another KRA.</p>	<p>section could be made better with clearer subheadings. We can divide the section into interoperability and compliance, precaution and audit headings E.g.:</p> <p>(a) to (d)+(g)= Interoperability (Also mention which data security link standard to be followed)</p> <p>(e) to (q) - (g)= Compliance, Precaution and Audit.</p> <p>In additional to this, there is a need to link a proper definite standard for secure data transmission link with either a reference to specific authority or, in the event that such standards are predefined by any such authority, the reference to the same.</p>	<p>Breaking a big section in subparts helps enhance the regulatory efficiency.</p>

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
		<p>d. KRA shall have a secure data transmission link with other KRA(s) and with each Regulated Entity that uploads the KYC documents on its system and relies upon its data.</p> <p>e. KRA shall be responsible for storing, safeguarding and retrieving the KYC documents and submit to the Authority or any other statutory authority as and when required.</p> <p>f. KRA shall carry out an independent validation of the KYC records uploaded onto its system by the Regulated Entity in such a manner as specified by the Authority from time to time.</p> <p>g. Any information updated about a Client shall be disseminated by KRA to all</p>		

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
		<p>intermediaries that avail of the services of the KRA in respect of that Client.</p> <p>h. KRA shall ensure that the integrity of the automatic data processing systems for electronic records is maintained at all times.</p> <p>i. KRA shall take all precautions necessary to ensure that the KYC documents/records are not lost, destroyed or tampered with and that sufficient back up of electronic records is available at all times at a different place.</p> <p>j. KRA shall have adequate mechanisms for the purposes of reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.</p>		

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
		<p>k. KRA shall cause an audit of its controls, systems, procedures and safeguards to be carried out periodically and take corrective actions for deficiencies, if any and report to Authority.</p> <p>l. KRA shall take all reasonable measures to prevent unauthorized access to its database and have audit of its systems and procedures at regular intervals as specified by the Authority from time to time.</p> <p>m. KRA shall ensure compliance with the Digital Personal Data Protection Act 2023.</p> <p>n. KRA shall enter into an agreement with Regulated Entities before granting access to the KRA database services.</p>		

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
		<p>o. KRA shall have checks built in its system so that a Regulated Entity can access the information only for the Clients who approach him.</p> <p>p. KRA shall send a letter to each Client after receipt of the KYC documents from the Regulated Entity, confirming the Client's details thereof.</p> <p>KRA shall maintain an audit trail of any upload/ modification /download regarding the KYC records of each Client.</p>		
54	Regulation 23 (b)	The KRA has the following functions and obligations – (b)KRA(s) shall have electronic connectivity and with other KRA(s) in IFSC in order to establish interoperability among KRAs.	The regulation only mandates for interoperability and establishing a connection for the same. A deadline and penalty system to achieve such connectivity is important (post registration) to ensure smoother coordination and eliminating ambiguity between KRAs. E.g.: 3 or 6 - months post registration.	It is important that the process of KYC by KRAs is not disrupted due to non-establishment of connection of one KRA with any or all KRAs. A deadline ensures that there is no interruption in the loop of information being shared between agencies, as agencies would come into operation within a specified time. A specific deadline and a penalty (in cases of noncompliance) would compel new and existing KRA's to work swiftly to establish connection with each other and would benefit investors & regulated entities.

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
55	Regulation 23 (m) - Functions and obligations of the KRA	The KRA has the following functions and obligations – KRA shall ensure compliance with the Digital Personal Data Protection Act 2023.	There should be specific mention of whether the clauses for data breaches under the DPDP act would be followed or lower penalties would be followed for data breaches.	GIFT city allows for exemptions in many requirements to make it investor friendly and compliance friendly. Penalties and compensations form a big decision for companies to establish businesses in jurisdictions. A strict and high penalty discourages companies to set up businesses. Such agencies would also be discouraged for setting up units, if the breach compensation or penalty is too high. Either it should be same as DPDP act, or it should be relaxed to lower amounts. The method chosen should be clearly communicated in the guidelines itself.
56	Regulation 24 - Functions and obligations of a Regulated Entity	The Regulated Entity has the following functions and obligations – (a) The Regulated Entity shall perform the initial KYC/due diligence of the Client, upload the KYC information with proper authentication on the system of the KRA, furnish the scanned images of the KYC documents to the KRA, and retain the physical KYC documents. (b) When the Client approaches another Regulated Entity subsequently, the Regulated Entity shall verify and download the Client’s details from the system of KRA: Provided that upon receipt of information on change in KYC	Regulation 24(b): The regulation requires the Regulated Entity to update KYC data when changes occur but does not specify a timeline for doing so. This could result in delays in ensuring upto-date KYC records. A timeline should be included.	Specifying a clear timeline for updating KYC data ensures that all parties involved have access to the most accurate and current information, which is essential for regulatory compliance and financial transparency.

Sr. No.	Regulation no./ Sub regulation no.	Text of the Regulation/ Sub Regulation	Comments/ Suggestions/ Suggested modifications	Detailed Rationale
		<p>details and status of the Clients by the Regulated Entity or when it comes to the knowledge of the Regulated Entity, at any stage, the Regulated Entity shall be responsible for uploading the updated information on the system of KRA and retaining the physical documents. (c) A Regulated Entity shall not use the KYC data of a Client obtained from the KRA for purposes other than it is meant for; nor shall it make any commercial gain by sharing the same with any third party including its affiliates or associates. (d) A Regulated Entity shall have the ultimate responsibility for the KYC of its Clients, by undertaking enhanced KYC measures commensurate with the risk profile of its Clients. (e) The Regulated Entity shall integrate its systems with the KRA to facilitate seamless movement of KYC documents to and from the Regulated Entity to the KRA.</p>		
57	Regulation 27 - Obligations upon inspection	(1) Where an inspection of a KRA is undertaken by the Authority, such KRA and every Principal Officer, proprietor,	The regulation does not specify protections or privileges for KRAs in the event of inspections, such	Balanced Approach: Introducing protections for KRAs will ensure that inspections do not disrupt operations unnecessarily or compromise sensitive proprietary information. Operational

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	by the Authority	partner, designated partner, trustee, director, chairperson, officer, employee and any agent of the KRA shall provide all assistance and cooperate with the Inspecting Authority and shall furnish books of accounts, records and documents to the Inspecting Authority with such statements and information relating to its activities within such time as decided by the Inspecting Authority. (2) The KRA shall give all assistance as may be required in connection with the inspection and allow the Inspecting Authority to have reasonable access to its premises and extend reasonable facility for examining any books of accounts, records and documents in its possession, and also provide copies of records or documents or other material which in the opinion of the Inspecting Authority are relevant for the purposes of the inspection.	as confidentiality of proprietary information or safeguards against unreasonable demands by the inspecting authority.	Continuity: Safeguards will enable KRAs to continue their functions while complying with inspection requirements. Investor Confidence: Transparent inspection processes that respect KRA rights will inspire confidence in the system. We recommend amending the regulation to include protections for KRAs during inspections, such as confidentiality of proprietary data and restrictions on the scope of inspections to relevant activities only.
58	Regulation 30 - Suspension, cancellation of registration or	The Authority may take such action as deemed fit, including suspension or cancellation of registration, against a KRA if it:	While the section aims at suspension and cancellation of registration on nonadherence to certain	The rationale is based on the fact that GIFT city has been incorporated with the intent of attracting investors and other regulated entities from around the world. The regulations and set-

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	any other actions	(a) fails to comply with any conditions subject to which a certificate of registration has been granted; or (b) contravenes any of the provisions of the Act or rules or regulations or circulars or guidelines or directions or instructions issued thereunder.	aspects, the aspect of appeal or rectification of mistake should be present.	up are new and it may take some time for KRAs to adapt to different kinds of entities. The delineated jurisdictional status awarded to GIFT City and the vast influx of different types of investors which a KRA may need to deal with, poses regulatory confusion for the newly set up KRAs, even, if they have prior experience. ⁴ It is in the best interests to allow relaxation to KRA in the form of appeal or rectification of mistake with a specific deadline like 30 days.
59	A new regulation of exemption from operation of all or any of the regulations should be added.	Power to relax strict enforcement of the regulations under Chapter VI of {KYC (Know Your Client) REGISTRATION AGENCY} REGULATIONS, 2011 is present in current SEBI regulations.	It is important to allow specific exemptions to some KRA entities under the act, from the operation of all or any of the provisions of these regulations for a period as may be specified by IFSCA, if the need arises. This can help offer innovation or fostering of ideas that a progressive city like GIFT city needs. However, care needs to be taken that due permission from IFSCA (and, if needed central government).	Gift city accommodates HNIs (High Net worth Individuals), Foreign Institutional Investors and Non-resident Individuals. These individuals might need a more personalised and customtailored approach to dealing with KYC – such as in the cases of bulk onboarding or due to evolving landscape of unique business models like Cryptocurrency exchanges. It can also lead to fostering of new ideas and innovative compliance ways.
60	-	-	The IFSCA KRA Regulations do not provide the provisions on 'dispute resolution'.	In the event that there are any differences and disputes between the intermediaries and the KRA, there should be an ability or provision to solve for the same.

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			<p>IFSCA may consider including provision on the dispute resolution in order to solve any claims, differences or disputes arising between KRA and a Regulated Entities (“RE”) in relation to the activities of the KRA registered in GIFT IFSC.</p>	<p>Given the proposed IFSCA KRA Regulations are framed on similar lines of Securities and Exchange Board of India (KYC Registration Agency) Regulations, 2011 (“SEBI KRA Regulations”) pointing out below Regulation 16B! for ease of reference on the said subject. “All claims, differences or disputes between a KRA and an Intermediary arising out of or in relation to the activities of the KRA in the securities market shall be submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.”</p>
61	25. Sharing of KYC information in the financial sector	<p>“(1) The entities, regulated by other regulators in the financial sector specified by the Authority from time to time, may access the system of KRA for undertaking KYC of their Clients who engage them for financial services. (2) The provisions of these regulations shall, mutatis mutandis, apply to the entities regulated by other regulators specified in sub-regulation (1). (3) The system of KRA may be connected with any central KYC registry authorised by the Central Government for the purpose of collation and sharing</p>	<p>In addition to the Indian financial sector regulators, IFSCA may consider including the ability to connect with the KYC registry authorised not just by the Indian government but also offshore regulators and offshore government in order to design the IFSC as the global KYC hub. In this context, IFSCA may additionally consider creating a CERSAI-like government body which could act as a global</p>	<p>Compared to the majority target clients of the Indian financial sector REs which is the domestic diaspora i.e., resident Indians, the target client market for IFSC REs is aimed to primarily lie offshore. Therefore, it is utmost important for the IFSC REs to have a solution for quick and reliable onboarding of clients in such target market. It would help for IFSCA as regulator for India’s financial hub to facilitate such procedures in the interest of compliance and regulations and as well as business in GIFT IFSC. In the parallel, this may also enable IFSC to emerge as the global KYC hub, incidentally, providing a global solution for KYC, particularly to financial sector entities as well as regulators globally. Given IFSCA’s endeavours to collaborate and cooperate with regulators across various jurisdictions, including</p>

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		of the KYC information in the financial sector.”	repository of KYC data across all jurisdictions.	executing cooperation treaties, fintech bridges, understanding for regulatory equivalence and mutual recognition, it would be simpler for IFSCA to take the lead to also include provision of KYC related collaborations, solutions and repository for global customers.
62	23.The KRA has the following functions and obligations	“(c) KRA(s) may also have electronic connectivity with the KRA(s) registered with SEBI to establish inter-operability among KRAs of both the jurisdictions. Explanation: Inter-operability means the ability of the KRA to determine whether the KYC documents of the Client are in the custody of another KRA.”	The IFSCA may consider extending the interoperability of client KYC documents to include not only those registered with SEBI-recognized KRAs but also the Central Know Your Customer (“CKYC”) — system introduced by the Reserve Bank of India (“RBI”).	<p>To enhance the interoperability of KYC documentation for clients within the GIFT IFSC, it is recommended that the IFSCA may consider integrating with the CKYC system established by the RBI. Given the widespread presence of Indian domestic banks in the GIFT IFSC through branches or subsidiaries, this integration would enable seamless data exchange.</p> <p>Furthermore, to provide a comprehensive global KYC solution, the IFSCA should incorporate the interoperability systems introduced by Indian financial regulators. Such integration would streamline KYC processes and significantly reduce time and resources spent on redundant verifications across institutions. This approach would also help Indian Domestic IFSC Banking Units (“IBUs”) mitigate duplication in the KYC process, allowing for the sharing of KYC-related documents for clients or investors who have already undergone the client due diligence process in mainland India.</p>
63	19. Change in Control	“A KRA is incorporated in an IFSC, shall seek prior approval of the Authority in case of any	The IFSCA KRA Regulations do not provide the definition of ‘change in control’ for the KRA	In the interest of certainty and creation of unambiguous regime customers investors as well as KRA entities would prefer clarity on aspects such as these.

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		direct or indirect change in control of the KRA”.	incorporated or registered in GIFT IFSC. IFSCA may consider including a definition of control/ change in control.	
64	-	-	<p>The IFSCA KRA Regulations do not provide the provisions on ‘dispute resolution’.</p> <p>IFSCA may consider including provision on the dispute resolution in order to solve any claims, differences or disputes arising between KRA and a Regulated Entities (“RE”) in relation to the activities of the KRA registered in GIFT IFSC.</p>	<p>In the event that there are any differences and disputes between the intermediaries and the KRA, there should be an ability or provision to solve for the same.</p> <p>Given the proposed IFSCA KRA Regulations are framed on similar lines of Securities and Exchange Board of India (KYC Registration Agency) Regulations, 2011 (“SEBI KRA Regulations”) pointing out below Regulation 16B¹ for ease of reference on the said subject.</p> <p><i>“All claims, differences or disputes between a KRA and an Intermediary arising out of or in relation to the activities of the KRA in the securities market shall be submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.”</i></p>
65	25. Sharing of KYC information in the financial sector	<i>“(1) The entities, regulated by other regulators in the financial sector specified by the Authority from time to time, may access the system of KRA for undertaking KYC of their Clients who engage them for financial services.</i>	In addition to the Indian financial sector regulators, IFSCA may consider including the ability to connect with the KYC registry authorised not just by the Indian government but also offshore regulators	Compared to the majority target clients of the Indian financial sector REs which is the domestic diaspora i.e., resident Indians, the target client market for IFSC REs is aimed to primarily lie offshore. Therefore, it is utmost important for the IFSC REs to have a solution for quick and reliable onboarding of clients in such target market. It

¹ [SEBI | Securities and Exchange Board of India {KYC \(Know Your Client\) Registration Agency} Regulations,2011 \[Last amended on August 18, 2023\]](#)

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		<p><i>(2) The provisions of these regulations shall, mutatis mutandis, apply to the entities regulated by other regulators specified in sub-regulation (1).</i></p> <p><i>(3) The system of KRA may be connected with any central KYC registry authorised by the Central Government for the purpose of collation and sharing of the KYC information in the financial sector."</i></p>	<p>and offshore government in order to design the IFSC as the global KYC hub. In this context, IFSCA may additionally consider creating a CERSAI-like government body which could act as a global repository of KYC data across all jurisdictions.</p>	<p>would help for IFSCA as regulator for India's financial hub to facilitate such procedures in the interest of compliance and regulations and as well as business in GIFT IFSC.</p> <p>In the parallel, this may also enable IFSC to emerge as the global KYC hub, incidentally, providing a global solution for KYC, particularly to financial sector entities as well as regulators globally. Given IFSCA's endeavours to collaborate and cooperate with regulators across various jurisdictions, including executing cooperation treaties, fintech bridges, understanding for regulatory equivalence and mutual recognition, it would be simpler for IFSCA to take the lead to also include provision of KYC related collaborations, solutions and repository for global customers.</p>
66	23.The KRA has the following functions and obligations	<p><i>"(c) KRA(s) may also have electronic connectivity with the KRA(s) registered with SEBI to establish inter-operability among KRAs of both the jurisdictions. Explanation: Inter-operability means the ability of the KRA to determine whether the KYC documents of the Client are in the custody of another KRA."</i></p>	<p>The IFSCA may consider extending the interoperability of client KYC documents to include not only those registered with SEBI-recognized KRAs but also the Central Know Your Customer ("CKYC") system introduced by the Reserve Bank of India ("RBI").</p>	<p>To enhance the interoperability of KYC documentation for clients within the GIFT IFSC, it is recommended that the IFSCA may consider integrating with the CKYC system established by the RBI. Given the widespread presence of Indian domestic banks in the GIFT IFSC through branches or subsidiaries, this integration would enable seamless data exchange.</p> <p>Furthermore, to provide a comprehensive global KYC solution, the IFSCA should incorporate the interoperability systems introduced by Indian financial regulators. Such integration would streamline KYC processes and significantly</p>

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				reduce time and resources spent on redundant verifications across institutions. This approach would also help Indian Domestic IFSC Banking Units (“IBUs”) mitigate duplication in the KYC process, allowing for the sharing of KYC-related documents for clients or investors who have already undergone the client due diligence process in mainland India.
67	19. Change in Control	“A KRA is incorporated in an IFSC, shall seek prior approval of the Authority in case of any direct or indirect change in control of the KRA”.	The IFSCA KRA Regulations do not provide the definition of ‘change in control’ for the KRA incorporated or registered in GIFT IFSC. IFSCA may consider including a definition of control/ change in control.	In the interest of certainty and creation of unambiguous regime customers investors as well as KRA entities would prefer clarity on aspects such as these.
68	NA	NA	We propose that a separate vertical of a Market Infrastructure Institution (MII) in IFSC be permitted to operate as a KRA (KYC Registration Agency) for a transitional period of five years. During this period, the MII would be establish and float a wholly owned subsidiary dedicated to KRA services.	This approach leverages the existing infrastructure and expertise of MIIs in IFSC, ensuring immediate operational readiness to meet market demands. Additionally, the transitional period provides sufficient time for compliance with the regulator’s requirement for a subsidiary model, while maintaining Efficiency and reliability in the interim.
69	9(1)	An entity shall be eligible to be registered as KRA only if it	(e) An MII in IFSC or its wholly owned subsidiary.	This will eliminate the operational and administrative requirements of creating a

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		<p>belongs to one of the following categories, namely:</p> <p>(d) a wholly owned subsidiary of a stock exchange recognised in India, in IFSC or in Foreign Jurisdiction; or</p> <p>(e) An MII in IFSC or its wholly owned</p> <p>(f) a wholly owned subsidiary of a KRA registered in India, in IFSC or in Foreign Jurisdiction.</p>		<p>subsidiary for MII that already comply with robust regulatory frameworks. This elimination will remove the duplicative structures thereby streamlining operations and reducing unnecessary costs and administrative burdens on entity.</p>
70	Chapter III, Point no 24 (a)	<p>An entity seeking registration as a KRA shall maintain the net worth of at least USD 1 Million and the same shall be maintained at all times.</p>	<p>It is proposed that MIIs in IFSC be exempted from additional net worth requirements for registration as a KRA, as they already comply with stringent financial and operational standards under the existing regulatory framework. These rigorous requirements ensure their financial stability and reliability, making additional net worth criteria unnecessary.</p>	
71	25(3)	Fit and proper requirements	<p>MII in IFSC applying for KRA may be consider</p>	

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			deemed to meet the fit and proper requirements based on their existing regulatory compliance as the MIIs are already subject to extensive scrutiny	
72	16	Business Continuity Plan	The following may be considered add under this regulation; MII in IFSC may be consider to extend their business continuity plans to include KRA operations. As the MII in IFSC already has robust continuity plans that can be adapted to include KRA activities.	MII in IFSC already maintain robust and comprehensive continuity frameworks that are designed to ensure the resilience of their core operations, it would be feasible and efficient to adapt these existing plans to incorporate KRA related operations. This integration would enhance operational efficiency and support the overall stability of the financial ecosystem within the IFSC.
73	17	Cyber Security and Cyber Resilience	<p>It may be considered to allow MII in IFSC to use their existing cybersecurity frameworks, with periodic audits ensuring compliance with KRA-specific requirements as they have typically robust cybersecurity systems that can meet or exceed KRA requirements.</p> <p>Thus, following can be added to regulation 17: MII in IFSC acting as KRAs may leverage their cybersecurity and data protection frameworks,</p>	

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			subject to additional reviews as prescribed by the Authority.	
74	Section E, Principal Officer	The Principal Officer of a KRA shall be based out of the IFSC and shall have the following minimum qualification and experience: (a) A professional qualification or post-graduate degree or post graduate diploma (minimum one year in duration) in finance, law, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognised by the Central Government or any State Government or a recognised foreign university or institution or association or a CFA or a FRM from Global Association of Risk Professionals; and	Inclusion of the CERTIFIED FINANCIAL PLANNER® (CFP®) certification as a recognized qualification for the Principal Officer.	<ul style="list-style-type: none"> • The CFP® certification, owned by FPSB Ltd. and offered in India by FPSB India (a wholly-owned subsidiary of FPSB Ltd.), is a globally recognized, gold-standard credential in financial planning. This postgraduate-level certification prepares professionals in key areas such as Investment Planning, Retirement and Tax Planning, Risk and Estate Planning, and Integrated Financial Planning. • To attain the CFP® certification, candidates must undergo a rigorous 4-E framework: <ol style="list-style-type: none"> 1) Education: Comprehensive coursework covering all aspects of financial planning. 2) Examination: A challenging examination to test candidates' knowledge and application of the subject. 3) Experience: Practical experience requirements to ensure the candidate's real-world competency. 4) Ethics: Adherence to the highest standards of ethics, ensuring a commitment to client-first principles.

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				<ul style="list-style-type: none"> • With 223,700 CFP professionals worldwide across 28 territories, it equips candidates with the skills necessary to provide ethical, client-centric advice, manage portfolios effectively, and address complex financial needs comprehensively. The CFP® credential is recognized by regulatory bodies and financial institutions globally, ensuring adherence to high standards of integrity, competency, and professionalism. • FPSB India is actively working towards setting the standards of professionalism in personal financial planning. In span of a year, we have signed MoUs with prestigious institutions such as Indian Institutes of Management (Ahmedabad, Bangalore) and Indian Institute of Foreign Trade, among others. This collaboration will significantly contribute to professionalizing the way business is conducted in the domain of financial services. <p>By recognizing the CFP® certification, the regulatory framework for Principal Officers aligns with global best practices in client-centric advice, risk management, compliance, and market integrity. The certification also helps strengthen the fit and proper criteria for individuals in leadership positions. Recognizing the CFP® qualification would not only elevate the professionalism of KRAs but also support the Ease of Doing Business by enhancing</p>

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				interoperability with SEBI-registered KRAs and contributing to the development of a centralized KYC database for the IFSC. It further reinforces the commitment to ethical practices as envisioned by the KRA Regulations and supports the Code of Conduct framework within KRAs.
75	Chapter II (5)	Net worth requirements	As per the stated draft requirement, net worth of at least 1 million USD needs to be maintained. Does the net worth need to be maintained only in USD or it can be maintained in any free convertible currency?	Clarity will help to ensure that it is only limited to USD and if it is not the intention then the word “equivalent to USD 1 Million” should be added
76	Chapter II (7)	Appointment of Principal Officer, Compliance Officer and other Human Resource	Whether the Principal Officer and Compliance Officer can be one and the same person?	This clarity will help to ensure compliance to the spirit of the objective of the law.
77	Chapter II (11)	Surrender of Registration	In case of surrender of registration what will happen to the existing contracts with Regulated Entities or other clients should be clearly defined.	It will give confidence to the regulated entities that KRAs will ensure complete process before surrender of the KRA and will not leave the situations unattended.
78	Chapter II (14)	Information to the Authority	Periodicity of reporting should be added. Like an immediate basis.	
79	Chapter II (16)	Business Continuity Plan (BCP)	Periodicity of maintenance of BCP should be clearly defined.	MII in IFSC already maintain robust and comprehensive continuity frameworks that are designed to ensure the resilience of their core operations, it would be feasible and efficient to

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				adapt these existing plans to incorporate KRA related operations. This integration would enhance operational efficiency and support the overall stability of the financial ecosystem within the IFSC.
80	Chapter II (23K)	KRA shall cause audit....	Clarity on whether it should be an external audit or internal.	It will remove doubts around the expectations.
81	Chapter II (23p)	KRA shall send letter....	Clarity on the time frame of sending the letters should be there.	It will remove doubts around the expectations and will give the requirements its importance.
82	Chapter II (24c)	Functions and obligations of the Regulated Entities	Whether the regulated entity can share the KYC data if there is no commercial gain?	It will remove doubts around the expectations.

Response: During the public consultation, comments were received from various stakeholders on the draft regulations. The regulations were suitably modified based on the comments received from the stakeholders and were placed before the Expert Committee on Secondary Markets (ECSM). Pursuant to the consent of ECSM, the draft regulations were placed before the Authority in the meeting held on March 26, 2025. The comments received from the stakeholders were also placed before the Authority.