National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/60042	**Date: December 29, 2023**
Circular Ref. No: 112/2023	

To All Members,

Sub: Clarification on Know Your Client (KYC) Process and Use of Technology for KYC

This is with reference to SEBI Circular no. CIR/MIRSD/16/2011 dated August 22, 2011, and Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020, and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023. This also has reference to SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/95 dated and June 21, 2023, and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/13 dated August 01, 2023.

The Exchange, in the recent past, has observed that some of the members are taking default consent for the trading preferences (Selection of Segment), either being auto populated or provided as a default option, with or without providing any option to the client to deselect/opt out of any such segment(s) at the time of onboarding.

By not obtaining the express consent and/or explicit confirmation from the clients regarding Trading preference in the Equity Derivatives/Currency Derivatives/Commodities Derivatives Segments during online account opening process, the members are not adhering to the guidelines issued vide aforesaid circulars w.r.t trading account opening including onboarding of the clients through online KYC.

In view of the above, it is reiterated that the members shall obtain express consent and/or explicit confirmation from the clients for the trading preferences in the Equity Derivatives/Currency Derivatives/Commodities Derivatives Segments by providing an option to the clients to only select/opt in at the time of onboarding of the client.

Members are advised to take note of the contents of the Circular and ensure strict compliance.

National Stock Exchange of India Limited

For and on behalf of
National Stock Exchange of India Limited

Jayalakshmi Iyer
Chief Manager

In case of any clarifications, Members may contact our below offices:

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