Central KYC systems gets going

OUR BUREAU

Mumbai, March 3

After months of delays, the central KYC system (C-KYC) seems to be finally taking off. About 1,200 entities regulated by financial regulators have already started uploading KYC records in the C-KYC. The system is owned by the government entity Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) and maintained by Dotex International, a subsidiary of the NSE. Sources in the NSE said that about 1,200 entities are already at the testing stage.

De-duplication process

C-KYC will result in substantial cost savings with an average cost of about ₹1 an upload, download or update. Currently, MFs and securities market intermediaries pay about ₹20-35 a KYC.

The C-KYC registry has a robust de-duplication process to ensure that no duplicate C-KYC ID is issued. This helps link one client with a single ID by de-duplicating all his relationships, be it bank accounts, demat accounts, trading accounts, insurance policies and pension accounts with every financial intermediary, the officials said.

Over the next few years, all SEBI registered KYC registration agencies (KRAs) will be subsumed as the C-KYC system gets fully operationalised, the official said.

RBI circular

Banks (both PSU and private) have started uploading data after the RBI in its November 2016 circular mandated that from February this year, KYC of all fresh accounts opened from January 2017 onwards should be fed into the C-KYC system, the official summed up.