

KRA CIRCULAR

KARVY/OPS/INTERM/GENRL/24-07

JUNE 11, 2024

Implementation of Centralization of certifications under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) at KYC Registration Agencies (KRAs).

SEBI circulars and guidance notes by the Department of Revenue, Ministry of Finance on FATCA and CRS norms and Income Tax Rules require all the reporting financial institution (RFI) to perform required activities to determine / report the details of client's residence for tax purpose. Reporting Financial Institutions (RFIs) are performing these obligations as applicable to them.

SEBI vide its Circular **SEBI/HO/MIRSD/SECFATF/P/CIR/2024/12 dated February 20, 2024** has advised that the RFI (Reporting Financial Institutions) which are SEBI Registered Intermediaries (SRIs) shall be required to upload the details of FATCA and CRS certifications obtained from the clients on to the system of KRAs with effect from July 01, 2024 for the purpose of centralised maintenance of data. This KRA reporting is in addition to other applicable / incidental collection / diligence / maintenance and reporting activities.

For the existing FATCA and CRS certifications obtained from clients prior to July 01, 2024, details shall be uploaded by the intermediaries onto the systems of KRAs within a period of 90 days of implementation of this circular i.e. by September 30, 2024. The details of certifications where country of tax residency is outside India be uploaded to KRAs and where it is not applicable may not be uploaded and KRAs would consider/mark them as investors where country of tax residency is India. Further, in case of old KYC records, it is possible the KRA may receive certification details for the same client from multiple RFIs which are SRIs and in such scenario the latest certification details would be recorded against the KYC record.

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Additional data to be uploaded to KRA system for KYC records uploaded on or after July 01, 2024

FATCA/CRS information for Individuals:

Information to be uploaded on KRA	Check Points
Place of Birth (existing field but validations are improvised)	Ensure <u>valid place of birth is provided</u> . Special characters, only numeric values shall not be allowed
Country of Birth (existing field but validations are improvised and supported by Country master)	Ensure <u>valid Country of Birth / County Code (as per ISO 3166) is provided</u> . This is available under the download section of https://karvykra.com/ or click on the link to download: https://karvykra.com/Downloads/KARVY_FTCA_Structures.zip (Filename – Country Codes.xlsx)
Tax Residency other than India?	<p><u>Values should be ‘Y,’</u> <u>‘N’</u></p> <p>If this column is ‘Y’, it indicates that FATCA / CRS is applicable and therefore additional details as below will apply and one or more of the Country of Tax Residency columns should have values other than India.</p> <p>If this column is ‘N’ it indicates that FATCA / CRS is not applicable and therefore additional details as below will not apply.</p>
Country of Tax Residency1, Country of Tax Residency2, Country of Tax Residency3, Country of Tax Residency4	Ensure this column contains only <u>valid Country Code</u> . Ensure <u>valid Country of Birth / County Code (as per ISO 3166) is provided</u> . This is available under the download section of https://karvykra.com/ or click on the link to download: https://karvykra.com/Downloads/KARVY_FTCA_Structures.zip (Filename – Country Codes.xlsx)
Tax Identification Number1, Tax Identification Number2, Tax Identification Number3, Tax Identification Number4	9/16-digit TIN if Country of Tax Residency is declared as ‘US’.

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Information to be uploaded on KRA	Check Points
	<p>For other countries, valid TIN should be uploaded as per TIN structure format defined by respective country. (TIN Structure.xlsb)</p> <p>For cases where TIN is exempt, reason for exemption to be provided.</p> <p>TIN validation will not be done at KRAs as the same is done at RFI.</p>
Date of Declaration	Date should be in <dd-mm-yyyy>

SRI's are requested to take note of below points:

- 1) SRI's will continue to follow the existing practices with respect to due diligence of FATCA/CRS details including TIN validation.
- 2) FATCA / CRS Certification details/information being collected by the SRI's need to be uploaded to KRAs from July 1, 2024 as part of registration as well as modifications. Any records received without these details would be rejected.
- 3) KRAs will maintain the FATCA / CRS Certification details/information against the KYC record and make it available as part of Solicited / Unsolicited KYC downloads.
- 4) SRI's can use the FATCA / CRS Certification details received from KRA for facilitating investor onboarding and seek confirmation from the investor for the same.
- 5) SRI who have provided the latest information would be considered by the KRAs.
- 6) Wherever country is specified, country code as per ISO-3166 standard values should be uploaded is available under the download section of <https://karvykra.com/> or click on the link to download:
https://karvykra.com/Downloads/KARVY_FTCA_Structures.zip
 (Filename - Country Codes.xlsx)

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- 7) It is SRI's responsibility to validate TIN and upload the validated TIN wherever structure format is defined. The TIN Structure is available under the download section of <https://karvykra.com/> or click on the link to download: https://karvykra.com/Downloads/KARVY_FTCA_Structures.zip
(Filename - TIN_Structure.xlsb)
- 8) If any updated FATCA / CRS Certification is received / collected by any SRI, the details need to be uploaded to KRA system as a modification request.
- 9) SRI may obtain FATCA/CRS related declaration from investors through online mode or any other applicable modes, however such declaration documents are not to be uploaded by SRIs into KRA system.
- 10) The Static Master for Country Codes, TIN Structure/formats, Upload File formats etc. are available under the download section of <https://karvykra.com/> or click on the link to download: https://karvykra.com/Downloads/KARVY_FTCA_Structures.zip
- Country codes.xlsx
 - TIN Structure.xlsb
 - KYC_Upload_File_Structure_V3.xml
 - KYC_Download_File_Structure_V3.xml
- 11) The FATCA/CRS UAT testing environment for intermediaries will be made available on or before the last week of June 2024, and the link will be communicated via a further email.

Intermediary queries related to this communique may be addressed to kra@karvy.com or contact KARVY helpdesk 8121096850/8019355102.

Regards

Sd/-

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Compliance Officer