

Circular No.: NSDL/POLICY/2017/0021

Date: April 12, 2017

Subject: Linking of Demat Accounts of Individuals with their Aadhaar.

As Participants are aware, in the Union Budget 2017-18, it was announced under 'Other measures in the Financial Sector' that "Steps will be taken for linking of individual demat accounts with Aadhaar". Accordingly, SEBI has instructed depositories to advise their Participants to take necessary steps for linking of demat accounts held by individual clients with their Aadhaar numbers to ensure effective implementation of the budget announcement.

In this regard, Participants are advised as follows:

1. In respect of all new accounts opened, Participants may advise clients to mention their Aadhaar in the Know Your Client (KYC) Application Form (Individual) [Part I - FORM 9 of NSDL Business Rules] submitted at the time of account opening, especially by highlighting the advantages such as registration in the demat account of unique identity provided by Aadhaar, government's initiative of linking of PAN with Aadhaar, Aadhaar being a single document serving as proof of identity and address, etc. A self-certified copy of the Aadhaar Card may be obtained as part of the KYC process.
2. Participants shall encourage all their existing individual clients to provide their Aadhaar number to link with their demat account. Participants may send regular communications to their clients for updating their Aadhaar number in the demat accounts.
3. NSDL is also in process of developing an online facility for demat account holders to update their Aadhaar number directly in their demat accounts, which will be authenticated directly with UIDAI. This will provide a convenient, online facility for clients to update their Aadhaar and will be available on NSDL's website. Once this facility is made available, NSDL will also be sending communications to clients through emails, SMS, etc. requesting them to update their Aadhaar in their demat accounts. Participants may also refer to NSDL's online facility in their communications to clients and provide the appropriate link.
4. The Participants may update the Client's Aadhaar on the basis of following:
 - a. A written request along with a self-certified copy of Aadhaar Card from the client for updating Aadhaar in client's demat account. For joint holdings, the written request must be signed by the holder whose Aadhaar is being updated.
 - b. Participants acting as AUA or Sub-AUA may accept requests from clients through their registered email or on the website of Participant, provided that the Participant follows the procedure specified in NSDL Circular No. NSDL/POLICY/2011/0057 dated July 16, 2011.



Also, in case such Participant has the Aadhaar details of the client in its back-office, trading account or in the bank account which has been provided by the client, then the Participant may update the Aadhaar in the demat account. In such cases, prior to updation of Aadhaar in demat account, the Participant shall validate the Aadhaar with UIDAI as per the process prescribed for AUAs by UIDAI and keep such verification on record.

- Participants shall ensure that correct Aadhaar number of the client is updated in the demat account by obtaining self-certified copy of the Aadhaar Card or by using online verification of Aadhaar with UIDAI. Once Aadhaar updation is carried out, Participants are required to send a communication via letter / email / Client Master Report / Client Modification letter generated from the DPM System or its back office or any other mode which the Participant may deem fit to all such Clients informing them about updation of Aadhaar in their demat account.

For and on behalf of
National Securities Depository Limited

Ashish Kini
Senior Manager

| FORTHCOMING COMPLIANCE | | | |
|---|---|--|--|
| Particulars | Deadline | Manner of sending | Reference |
| Investor Grievance Report (Monthly) | By 10 th of the following month. | Through e-PASS | Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015 |
| Charge Structure | April 30 th every year. | By email at dpfees@nsdl.co.in | 1. Circular No. NSDL/POLICY/2006/0064 dated December 26, 2006. 2. Circular No. NSDL/POLICY/2007/0003 dated January 8, 2007. |
| Internal/ Concurrent Audit Report (October - March) | May 15 th every year | Through e-PASS | Circular No. NSDL/POLICY/2017/0013 dated March 17, 2017 |
| Risk based supervision of Participants | April 20, 2017 | Through e-PASS | Circular No. NSDL/POLICY/2017/0020 dated March 31, 2017 |

Digitally signed by
Name : Ashish Kini
Date : 4/12/2017 3:04:17 PM
Reason : Authentication