
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all the members of the Exchange

Circular No. : NCDEX/MEMBERSHIP-028/2024

Date : June 13, 2024

Subject : Review of validation of KYC records by KRAs under Risk Management Framework

This is with reference to the Exchange Circular no. NCDEX/MEMBERSHIP-033/2023 dated June 26, 2023 with regard to linking of PAN with Aadhaar, wherein clients who are not complying with the requirement of linking the PAN with Aadhaar shall not be allowed to trade on the Exchange platform.

Members are hereby requested to refer to the SEBI Circular - SEBI/HO/MIRSD/SECFATF/P/CIR/2024/41 dated May 14, 2024 regarding the 'Review of validation of KYC records by KRAs under Risk Management Framework' and FAQs on "KYC norms for Securities Market".

Point no. 12 of the FAQ on "KYC norms for the Securities Market" provided by SEBI at https://www.sebi.gov.in/sebi_data/faqfiles/may-2024/1715694256793.pdf states the below -

"12. Is PAN-Aadhaar seeding mandatory for transactions in securities market?"

No. The Indian government has made it mandatory for everyone to link their PAN to their Aadhaar, with certain exceptions for NRIs, non-citizens, those over 80, and residents of the states of Assam, Jammu and Kashmir, and Meghalaya.

Clients in whose case, PAN-Aadhaar linkage are not found to be verified, shall be allowed to transact with the existing intermediary subject to valid PAN, however the client's KYC shall not be allowed portability in securities market."

In the view of above, PAN-Aadhaar linkage is no longer mandatory for trading in Securities Markets. The clients who are not complying with the requirement of linking the PAN with Aadhaar shall still be permitted to trade on the Exchange platform, if all the other requisite conditions / validations are fulfilled.

All the members are hereby advised to take note of the above.

For and on behalf of

National Commodity & Derivatives Exchange Limited

Sushma Pothan
Senior Manager
Membership

For further information / clarifications, please contact

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