

KYC norms for Directors – Mandatory reporting in e-form DIR-3-KYC

August 27, 2018

In brief

The Ministry of Corporate Affairs (MCA) vide Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2018 (Rules) has introduced mandatory filing of new e-form DIR-3-KYC on an annual basis. The notification is effective from 10 July, 2018 and the e-form is currently available on the MCA portal for filing.

In detail

Purpose

As part of updating its registry, the MCA would be conducting the KYC of all directors of all companies annually through a new e-form, DIR-3-KYC.

Applicability

- Every director (Indian and foreigner) who has been allotted a director identification number (DIN) as on 31 March of a financial year (FY).
- This is also applicable to an individual who has been allotted a DIN and whose DIN has “Approved” status, on or before 31 March, 2018.

Note: Filing DIR-3-KYC would also be mandatory for disqualified directors.

Due date

- 30 April of the immediate FY.
- 15 September, 2018 for FY ending 31 March, 2018.

Form for filing KYC

e-form DIR-3-KYC

Certification requirements

- Digital signature certificate (DSC) of the Applicant, i.e., the director himself.
- DSC of Chartered Accountant/ Cost Accountant or Company Secretary in practice.

Information and documents required

- Personal mobile number and e-mail ID for OTP verification.
- For Indian directors, income-tax permanent account number (PAN) and Aadhaar are mandatory.
- For foreign directors, passport is mandatory.
- Proof of address can be Aadhaar, passport, driving license, utility bill or bank statement.

Note

1. Proof of present residential address

would be required when the present residential address is different from that of the permanent residential address.

2. Any document issued outside India is required to be duly apostilled/ legalised and notarised, as applicable, in the country of issuance.
3. If the documents are not in English, their translation into English by a professional translator carrying details (name, signature, address) and seal will be required.

Consequences of non-filing

After the expiry of the due date by which the KYC form is required to be filed, the MCA will mark all approved DINs against which the DIR-3 KYC form has not been filed as “Deactivated” with reason as “Non-filing of DIR-3 KYC.”

However, the de-activated DINs shall be re-activated only after the e-form DIR-3-KYC is filed with the specified fee.

Other key points

It is pertinent to note that for Indian directors, the verification

process will be PAN-based, as the name shall be verified with the PAN database.

In case of foreign nationals who do not have a PAN, the name mentioned on the form must be same as that mentioned in the

affixed DSC, for successful validation.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact your local PwC advisor

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