



MASTER CIRCULAR

PFRDA/Master Circular/2025/01/PoP-01

Date: January 14, 2025

To

All stakeholders

Madam/Sir,

Master Circular – Advisories to be followed by Point of Presence (PoPs) under NPS (All Citizen and Corporate)/NPS-Lite/ APY

1. This circular is issued in exercise of powers conferred under sub-section (1) of Section 14 read with sub-section (2) clause (m) of Section 14 of the Pension Fund regulatory and Development Authority Act, 2013 and Regulation 15 of the PFRDA (Point of Presence) Regulations, 2018, as amended thereon.
2. This master circular consolidates the existing instructions with regard to “*Advisories to be followed by PoPs*”. The list of underlying circulars on the subject is furnished in the **Annexure-I**.

This circular is issued with the approval of the competent authority.

Yours faithfully,

ASHISH
KUMAR
BHARATI

Digitally signed
by ASHISH
KUMAR BHARATI

(Ashish Kumar Bharati)
General Manager

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PART A

1. INTRODUCTION

1.1 Point of Presence (PoP) is an important intermediary under the NPS architecture, which is entrusted with the most important duty and responsibility of onboarding of subscribers under NPS/APY/NPY Vatsalya and providing them various services under it. Such as

- a. Initial Customer Interaction
- b. Registration of Subscribers
- c. Processing of initial contribution and Regular subscriber's contribution
- d. Handling of Subscriber requests
- e. Handling of grievances
- f. Processing of Exit

1.2 Any citizen of India between the ages of 18 to 70 can open an NPS account by visiting any PoP or online through the eNPS web portal hosted by NPS Trust or by any other intermediary of such Trust. To provide maximum convenience and to ensure ease of transaction to the subscribers, the subscribers are provided with new options for remittance of NPS contributions to the collection account through various channels such as D-remit, BBPS, NACH, and QR Code.

1.3 The e-NPS web portal has been introduced to provide subscribers with the facility to open an NPS account online and make contributions hereto.

1.4 Corporate(s) may join NPS through any one of the existing POPs under the NPS Corporate Sector Model or may take a registration as POP subject to eligibility conditions under PFRDA (PoP) Regulations.

PART B

2. GENERAL GUIDELINES

2.1 The compliance obligation of the PoPs shall not be confined merely to the Master Circular but, also to the applicable laws and regulations.

2.2 This Master Circular shall take effect from the date of its issuance but shall be without prejudice to their (earlier issued circulars) operation and effect, for the period when they were in force, until them being subsumed under the Master Circular. Based on the above caveat, **Part D** containing the list of circulars consolidated in the Master Circular – is placed at **Annexure I**, such that they are subsumed in the Master Circular and for all purpose and intent, remain operative, with no break of continuity. The list of circulars rescinded from time to time and archived is placed at **Annexure II**.

2.3 Notwithstanding such rescission of any circular, upon their merger in the Master Circular, or otherwise, anything done or any action taken or purported to have been done or taken, or to be taken hereafter, under the circulars now rescinded (for the period of their operation) shall be construed to have been validly taken as if the said circulars are in full force and effect and shall remain unaffected by their rescission, in any manner.

2.4 The previous operation of the rescinded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred, any penalty, any order passed, any violation committed, any investigation, legal proceedings pending in terms of the circular (now rescinded), shall be treated as if the circulars are in full force and effect and shall remain unaffected by their rescission, in any manner.

PART C

3. Advisories to be followed by Point of Presence (PoPs) under NPS (All Citizen and Corporate)/NPS Lite

3.1 Measures to minimize the high number of rejections in Subscriber registration forms

3.1.1 As per the analysis of the reports provided by the CRA, the following are the prominent reasons for rejections in Subscriber Registration Forms:

1. Receipt number/POP-SP registration number not provided/invalid
2. Mandatory personal details not filled in CSRF-1
3. Address not mentioned in CSRF-1
4. Incorrect PAN mentioned
5. Nomination not filled, which is a mandatory field
6. Non-authorization of form by Nodal Office/POP-SPs
7. Not choosing Pension Fund Manager

3.1.2 All the PoPs are advised to check the subscriber registration with respect to the above-mentioned reasons before submitting it to CRA-FC/CRA for account opening, in order to minimize rejections. Further, it is advised that mobile number (*mandatory*) and email address may also be provided in the registration form to facilitate future correspondence with the subscriber.

3.2 Digital Signature for online onboarding in NPS and ‘Penny drop verification’ for Bank Account Verification

3.2.1 Considering the technological innovations and developments in online delivery of financial services, requests received from PoPs and the Authority's disposition towards subscriber's interest, the following measures are being prescribed for NPS:-

1. While opening an 'Individual Pension Account' in NPS as defined u/s 2(1)(e) of PFRDA Act, 2013, digital consent of applicant may be obtained through 'digital signature' as defined under clause (p) of subsection (1) of section (2) of the Information Technology Act, 2000 (21 of 2000) as amended from time to time or through Aadhar e-Sign.

2. For enrolment in NPS, Bank account details of the applicant is mandatory and supporting documentary evidence viz. cancelled cheque or copy of bank passbook or bank statement or bank certificate or letter from Bank with Subscriber Name, Bank Name, Bank Account Number and IFS Code is required to be submitted along with the application form which is verified by the Point of Presence (POP).

3. PoPs can now verify the Applicant's bank account through 'penny drop procedure' wherein the PoP transfers a nominal amount (say Re.1) to the bank account provided by the applicant and receives the confirmation for the transfer along with applicant's details from the transferee Bank.

4. The 'penny drop procedure' will be an additional method for verifying the applicant's bank account details by the PoP. However, the copy of electronic response received by the PoP from the transferee Bank while transferring the nominal (penny) amount should be submitted to CRA.

PoPs may also extend this 'penny drop procedure' to their existing NPS subscribers for changing his/ her bank account details with CRA.

5. For providing the above services, PoP and CRAs should ensure cyber and data security of the NPS architecture/system while devising such electronic or digital connectivity for transmission of data among the PoP/CRA/applicant/ subscriber.

3.3 Proper checks & controls in collection of NPS contributions

3.3.1 In order to provide maximum convenience and to ensure ease of transaction to the subscribers, the PoPs are also providing new options to the subscribers for remittance of NPS contributions to the collection accounts maintained at their end. The PoPs are collecting NPS contributions through various channels including online payment gateways, keeping in view the thrust on digital modes of payment.

3.3.2 It is important that all the NPS contributions collected by a PoP through various modes are accounted for and essential details of the NPS subscribers are captured properly. All the PoPs must ensure that proper checks, controls and mechanisms are in place so that no unaccounted funds are collected without details of the corresponding PRANs. In case, details of the PRANs are not captured at the time of collecting NPS contributions, the same may result in building of a pool of unreconciled amounts, which is highly unwarranted and detrimental to the interest of the subscribers, leading to high number of grievances. Besides, reconciliation of such amount without details of corresponding PRANs will be an uphill task in the future.

3.3.3 The PoPs also need to ensure that in case, they provide the facility to their NPS subscribers for remittance of NPS contributions directly to the collection accounts of the PoPs,

the NPS contributions are not collected without capturing details of the PRAN in which the same have to be credited.

All the PoPs are advised to disseminate information regarding this to all the PoP-SPs for ensuring compliance at their level.

3.4 Discontinuance of acceptance of any third-party contributions in Tier II account under NPS

The Tier II account under NPS is a voluntary savings account which may be opened along with Tier I account under NPS or may be activated by the Tier I account holder on later date. PAN is mandatory for opening Tier II account.

Keeping in view the nature of the Tier II account and the facility of any time withdrawal, it has been decided to disallow any third-party contribution in Tier II account henceforth.

All the Nodal Offices/ Points-of-Presence are hereby advised to ensure that NPS contributions being made by the Subscriber to his/her Tier II account is being made from his/her own Bank account and through his own legitimate source of funds.

The CRAs and Nodal offices/POPs are advised to take the following declaration from the subscriber while accepting contribution for Tier II account:

"I hereby declare that I am the bona fide subscriber of NPS and the contribution being paid for this transaction for Tier II is from my own Bank account and through my legitimate source of funds."

This declaration may be inserted in the NPS Contribution Instruction Slip (NCIS) or on online platform provided by the POPs and also on e-NPS platform.

In case the contribution is being made directly through the subscriber's Bank account, the above declaration may not be insisted upon.

Further, it is clarified that alike in Government sector, the subscribers /employees under NPS Corporate sector having an arrangement with respective employer, can contribute to their Tier-II account by way of salary deductions.

3.5 Instruction to stop Facility of Payment of Subscriptions/Contribution to Tier-II Account of NPS through Credit Card

The facility of payment of subscriptions/contributions using credit card as a mode of payment in the Tier-II account of NPS has been stopped. All the PoPs are advised to stop the acceptance of credit card as a mode of payment for the Tier-II account of NPS with effect from 03.08.2022.

3.6 Rejections of Remittances made by Trustee Bank under National Pension System (NPS) and Atal Pension Yojana (APY)

3.6.1 As per the analysis of “Outward Remittances – Collection & Rejections Report” received from the Trustee bank, it was found that in a large number of cases, fund remitted by the Trustee Bank to the NPS/APY subscribers bank account on exit of the subscriber from NPS were returned/bounced back to the Trustee Bank for the following reasons: :

- a. Invalid IFSC Code being given by the Subscriber
- b. Subscriber's Savings Bank Account Closed
- c. Incorrect Account number being provided in the Withdrawal Form
- d. Credit Limit Restrictions imposed on the saving Bank Account
- e. NRI Account
- f. Subscriber's Savings Bank Account Freeze/Dormant

3.6.2 In light of the above, all the nodal offices/ POPs/Aggregators & APY-SPs are advised to ensure that data in the withdrawal/exit form is correctly filled in by the Subscriber and verified/authorized by the PAOs / CDDOs / DTOs / DDOs / POPs / Aggregators / APY-SPs in order to ensure timely credit of funds into subscriber's savings bank account; post-exit/withdrawal from NPS (National Pension System) and Atal Pension Yojana (APY).

3.7 Implementation of Section 12A of The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (the Act)

3.7.1 Section 12A of the Act deals with prevention of financing related to weapons of mass destruction and their delivery systems. In this regard, Department of Revenue, Ministry of Finance under Government of India issues orders stating the detailed procedure for implementation of Section 12A of the Act.

The salient aspects of the order pertaining to bank accounts, stocks or insurance etc., would also be applicable to NPS / NPS Lite / APY or any other scheme regulated or administered by PFRDA. So, it is advised to all the POPs to strictly comply with the directions as per the above-mentioned order.

3.7.2 Head of Regulation Contribution Management Department shall be the Nodal officer from PFRDA in respect of implementation of Section 12A of the Act.

3.7.3 It is strictly advised to all the POPs to regularly visit the website of FIU-IND and Department of Revenue, Ministry of Finance for obtaining updated designated list and updated detailed procedure for implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 Act respectively.

3.8 Submission of Annual Certificate for Point of Presence as per Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018

3.8.1. All registered POPs are required to submit annual certificate to the Authority under *regulation no. 11(1)(d) and regulation no. 29(1)(e) of PFRDA (Point of Presence) Regulations, 2018*. The prescribed format of the annual certificate has been enclosed for necessary compliance.

3.8.2. All Point of Presence registered under PFRDA (Point of Presence) Regulations, 2018 and amendments thereon are advised herewith to submit the same to the Authority at the earliest but not later than 31st October of each year.

PART D

Sr. No	Circular No. (With Link to access)	Date of Issuance	Subject
1	PFRDA/2017/12/PoP/3	09-08-2017	Highest number of rejections in Subscribers Registration forms.
2	PFRDA/2019/20/PDES/04	01.11.2019	Digital Signature for online onboarding in NPS and 'Penny drop verification' for Bank Account Verification
3	PFRDA/2017/2/PoP/1	03-01-2017	Proper checks and controls in collection of NPS contributions.
4	PFRDA/2017/3/PD/1	13-01-2017	Discontinuance of acceptance of any third-party contribution in Tier II account under NPS
5	PFRDA/2021/35/PD/1	16-08-2021	Clarification - Third party contributions in Tier II account under NPS
6	PFRDA/2022/18/SUP-POP/02	03-08-2022	Instruction to stop Facility of Payment of Subscriptions-Contribution to Tier-II
7	PFRDA/2018/44/POP/1	21-02-2018	Rejection of remittances made by trustee bank under NPS and APY
8	PFRDA/2023/10/REG-POP/03	02.03.2023	Implementation of Section 12A of The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (the Act)

List of Circulars archived in the Master Circular – Annexure – II

Sr. No	Circular No. (With Link to access)	Date of Issuance	Subject
1	PFRDA/2019/13/REG-POP/1	17-06-2019	Format of annual certificate for Point of Presence as per pension fund regulatory and development authority (POP) Regulations, 2018.
2	9/16/2009	12-06-2012	Payment gateway proposals from various POPs - Under all citizen Model Scheme of NPS.
3	PFRDA/16/05/112/0018/2020-REG-POP	24-03-2023	Linking of PAN with Aadhaar to be done by March 31, 2023
4	PFRDA/16/05/112/0018/2020-REG-POP	02-05-2023	Linking of PAN with Aadhaar

5	PFRDA/2018/65/POP/3	07-12-2018	Discontinuation of Aadhaar based authentication for opening of NPS account by the POPs through online module.
6	PFRDA/2020/6/SUP-POP/1	06-04-2020	Activities under National Pension System (NPS) & NPS Lite-Swavalamban Scheme from March to June 20.
7	PFRDA/2020/17/SUP-POP/3	22-05-2020	Extension of timelines for activities under National Pension System (NPS) & NPS Lite - Swavalamban Scheme in view of Covid 19 Pandemic.
8	PFRDA/2020/32/SUP-POP/4	27-07-2020	Extension of timelines for activities under National Pension System (NPS) & NPS Lite - Swavalamban Scheme in view of Covid 19 Pandemic
9	PFRDA/2021/19/SUP-POP/3	15-06-2021	Relaxation of timelines for activities under National Pension System (NPS) & NPS Lite - Swavalamban Scheme in view of Covid-19 Pandemic.
10	PFRDA/2016/20/POP/1	17-08-2016	Circular on penalty POP for non-submission of mis report as per guideline issued.

**Format of Annual Compliance Certificate (ACC) for Point of Presence as per PFRDA
(Point of Presence) Regulations, 2018 as amended**

Regarding the continued validity of the registration granted by the Authority
(To be submitted to the Regulation Department PFRDA, annually *latest by 31st October, every year*)

We have examined the relevant books of accounts, records and documents maintained by M/s. _____ [name of the Point of Presence (PoP)] to ascertain fulfilment of eligibility criteria for acting as a Point of Presence as required under the PFRDA (Point of Presence) Regulations, 2018 (“*PoP Regulations*”) as amended thereon as on 31st March, 20____.

Details of registration under PoP Regulations:

Particulars	Details
Name of the PoP:	
Registered for:	National Pension System (NPS): Atal Pension Yojana (APY): NPS Lite (Swavalamban):
PFRDA registration number:	
Registration date:	

Based on the scrutiny of relevant books of accounts, records and documents, we certify that the..... (Point of Presence) is in compliance with the provision pertaining to meeting the ‘eligibility criteria’ and other requirements specified in the POP regulations including ‘fit and proper person’ requirement under these regulations ‘throughout the tenure’ of such certificate so granted under regulation 11 (d) of the PFRDA (Point of Presence) Regulations, 2018 as amended thereon and in compliance of the relevant provisions of PFRDA Act, 2013.

The details are as given below:

S.No	Check Points	Yes / No	Details	Remarks, if any
1.	Whether the POP is regulated by Reserve Bank of India (RBI), or Securities and Exchange Board of India (SEBI), or Insurance Regulatory and Development Authority of India (IRDAI), or National Housing Bank (NHB)		[Mention registration details]	

2.	Whether the PoP is: (i) a company incorporated in India under the Companies Act, 2013, or any previous company law; or (ii) a bank; or (iii) a non-banking finance company (with necessary certification from the Reserve Bank of India)		[Mention registration details]	
3.	Whether the PoP has at least one branch or office in India, possessing information technology infrastructure capable of electronic connectivity with the central recordkeeping agency(s) to receive and transmit the subscribers' funds, instructions, and pay out of funds as per the service standards or relevant guidelines issued by the Authority;		[Office Address]	
4.	Whether the PoP has a <i>net worth</i> of Rupees two crore including minimum paid up equity capital of Rupees fifty lakh, as on the last day of the immediately preceding financial year.		[Mention NetWorth] Net worth has the meaning as defined under section 2(57) of the Companies Act, 2013 [Based on audited financials]	
5.	Whether the PoP possess a <i>two-year track record of profitability (profit after tax)</i> as on the last day of the immediately preceding financial year; Provided that this condition shall <i>not</i> apply to: i. online marketing companies distributing financial products, payment banks and small finance banks for a period of five years from the date of their registration with the concerned regulator, for such activities; ii. banks proposing to conduct its activities under the Atal Pension Yojana; and iii. departments / boards of Central and State governments;		[Profit/Loss in crores for last two FYs] [Based on audited financials]	
6.	Whether PoP and its key managerial personnel fulfils the " <i>fit and proper person criteria</i> " as provided under Schedule-V read with		Key Managerial Personnel shall have the same	

	regulation 5(1)(f) of the <i>PFRDA (Point of Presence) Regulations, 2018</i> as amended thereon.		meaning as defined under section 2(51) of the Companies Act, 2013 [Format attached at Annexure - 1]	
7.	Whether the PoP has in the past <i>five years</i> been refused certificate of registration by any of the financial sector regulator(s) including Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority or the National Housing Bank.		[Details of refusal in last five years, if any and the reasons thereof]	
8.	Whether ' <i>change in the status or constitution</i> ' of the PoP during the FY has been reported to the Authority within seven days		[' <i>Change in the status or constitution</i> ' has the same meaning as per Explanation provided under Reg.11(1)(a)]	

9. Please provide the details of Designated Director & Principal Officer (*in compliance of Prevention of Money Laundering Act, 2002 (17 of 2003) and the rules made thereunder*):

Designation	Name	Contact Address	Email ID	Mobile Number
Designated Director				
Principal Officer				

10. Certificate of Compliance as specified in *Para 4.5 of Master Circular - Guidelines on Know Your Customer / Anti-Money Laundering / Combating the Financing of Terrorism (KYC/AML/CFT) dated 10.04.2024* as per **Annexure 2** attached.

In our opinion and to the best of our knowledge, based on information explanations given to us, by the CEO /CFO / director (s)/ compliance Officer, the above report provided by us, subject to our observations, is true and correct.

Chartered Accountant
(Seal & Signature)
(Name of the Proprietor/ Partner)
Membership no. _____ / CP. No. _____
Place: -

Date:

Counter signed by Compliance Officer of the Point of Presence

Name of Compliance Officer:	
Designation:	Signature of compliance Officer along with Office Seal
Address:	
Landline No.:	
Mobile No.:	
Email ID:	
Date:	
Place:	

DECLARATION FOR FIT AND PROPER PERSON CRITERIA
(To be submitted on the letter head of the PoP duly stamped and signed)

Schedule V
PFRDA (PoP) Regulations. 2018 as amended thereon
[see: Reg 5 (1) (f)]

To,
Pension Fund Regulatory and Development Authority
New Delhi

I/ We, M/s. <.....> hereby declare that I/ We, our directors, Compliance officer and Key Managerial Personnel are 'fit and proper person' including but not limited to the following criteria:

- a) financial integrity;
- b) absence of convictions or civil liabilities;
- c) competence;
- d) good reputation and character;
- e) efficiency and honesty; and
- f) financial solvency and net worth.

Further, as per Schedule V of the PFRDA (Point of Presence) Regulations, 2018 as amended thereon, I/ We confirm the following in this regard:

- (i) Criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has not been filed against me/us or our directors/ partners, Compliance officer and Key Managerial Personnel by the Authority and which is pending;
- (ii) Charge sheet has not been filed against me/us or our directors/ partners, Compliance officer and Key Managerial Personnel by any enforcement agency in matters concerning economic offences and is pending;
- (iii) No order of restraint, prohibition or debarment has been passed against me/us or our directors/ partners, Compliance officer and Key Managerial Personnel by the Authority or any regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force;
- (iv) No recovery proceedings have been initiated by the Authority against me/us or our directors/partners, Compliance officer and Key Managerial Personnel and are pending;
- (v) I/ We, our directors, Compliance officer and Key Managerial Personnel have not been convicted by a court for any offence involving moral turpitude or involving economic offences or fraud;
- (vi) No winding up proceedings have been initiated or an order for winding up has been passed against me/us;

- (vii) Neither I/ We, our directors, Compliance officer and Key Managerial Personnel have been declared insolvent and not discharged;
- (viii) I/ We, our directors, Compliance officer and Key Managerial Personnel have not been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
- (ix) I/ We, our directors, Compliance officer and Key Managerial Personnel have not been categorized as a wilful defaulter;
- (x) I/ We, our directors, Compliance officer and Key Managerial Personnel have not been declared a fugitive economic offender;

Details of Directors/Partners/Compliance Officer and Key Managerial Personnel (KMP):

	Name	Designation	Business Address	Tel. / Mb. No.	E-mail Address
Directors(s)					
1.					
2.					
3.					
Partner(s)					
1.					
2.					
Compliance Officer					
1.					
KMP					
1.					
2.					

I/We declare that I/ We, our directors, Compliance officer and Key Managerial Personnel shall be bound at all times by the provisions of the PFRDA Act, 2013, the rules and regulations notified thereunder, alongwith amendments thereof and all instructions/directions/guidelines and circulars that may be issued from time to time by the Authority in relation to NPS.

For on behalf of (Name of the applicant)

Name of the Authorised Signatory
 Signature and Seal of the Authorised Signatory
 Seal/Stamp of the Applicant
 Place
 Date (dd/mm/yy)

*Please strike whichever is not applicable

Certificate of Compliance with respect to KYC/AML/CFT
(To be submitted on the letter head of the PoP duly stamped and signed)

[see Para 4.5 of Master Circular - Guidelines on Know Your Customer / Anti-Money Laundering / Combating the Financing of Terrorism (KYC/AML/CFT) dated 10.04.2024]

Name of the reporting entity:

Financial Year:

We do hereby submit that (Name of the reporting entity) has fully complied with all the norms laid down by PFRDA and with the extant PML Act/ PML Rules.

Designated Director (Name and signature along with the stamp of the entity)
