

Annexure-1

Monthly MIS Report

(To be submitted by Aggregators to NPS Trust, in physical form latest by 10th of every month)

Deposit of subsequent contributions received from the subscriber at NLCC level in the account of the Aggregator maintained at NLOO/NLAO level by the name of 'National Pension System – Agg – Name of the Aggregator – collection account – National Pension System Trust'		
No. of Transactions	Within Timelines	Beyond Timelines*

Processing of subsequent contributions at NLAO/NLOO level				
No. of Transactions	Time taken in SCF upload from the date of Clear Funds		Time taken in remitting funds to Trustee Bank from the date of Clear Funds	
	Within Timelines	Beyond Timelines*	Within Timelines	Beyond Timelines*

* Age wise break up required, details may be provided on separate sheets

Monthly Exception Report
(For the month of.....)

(Detailed report on delayed NPSLite/Swavalamban transactions as per Guidelines for Operational Activities for Aggregators)

Annexure 1.1 – Monthly Exception Report – Deposit of subsequent contributions received from the subscriber at NLCC level in the account of the Aggregator maintained at NLOO/NLAO level by the name of ‘National Pension System – Agg – Name of the Aggregator – collection account – National Pension System Trust’

(For the month of.....)

1. Delay in deposit of subsequent contributions received from the subscriber at NLCC level, beyond prescribed timelines		
Aging Analysis		
No. of days of delay beyond prescribed timelines	No. of transactions delayed	NPS-Lite/Swavalamban account
1		
2		
3		
Total		

Signature of the Compliance officer along with Office Seal.

Name of Compliance officer:

Place:

Date:

Annexure 1.2 – Monthly Exception Report –Subsequent Contribution processing

(For the month of.....)

1. Delay in SCF upload from date of Clear Funds, beyond prescribed timelines		
Aging Analysis		
No. of days of delay beyond prescribed timelines	No. of transactions delayed	NPS-Lite/Swavalamban account
1		
2		
3		
Total		

2. Delay in Funds transfer to Trustee Bank, beyond prescribed timelines		
Aging Analysis		
No. of days of delay beyond prescribed timelines	No. of transactions delayed	NPS-Lite/Swavalamban account
1		
2		
3		
4		
Total		

Signature of the Compliance officer along with Office Seal.

Name of Compliance officer:

Place:

Date:

Annexure 1.3 – Monthly Exception Report –Other Transactions

(For the month of.....)

Other Transactions Details:

S.No.	Name of Transaction
1	Change in Subscriber's Personal Details
2	Change in Investment scheme/Fund Manager
3	Processing of Withdrawal Request
4	Processing of request for subscriber shifting
5	Issuance of printed account statement
6	Change in subscriber's nomination details

1. Delay in carrying out other transactions, beyond prescribed timelines	
Aging Analysis	
No. of days of delay beyond prescribed timelines	No. of transactions delayed
1	
2	
3	
4	
Total	

Signature of the Compliance officer along with Office Seal.

Name of Compliance officer:

Place:

Date:

Quarterly Compliance Certificate

(To be submitted by Aggregators to NPS Trust within 15 days from the quarter ending on the letter head of the Aggregator, in physical form)

I hereby state and certify that all the contributions received from the NPS-Lite/Swavalamban subscribers during the period from _____ to _____ have been accounted and transferred to the designated account of the NPS Trust as per timeframe specified by PFRDA on service level standard for Aggregator and there are no contributions received from subscribers are lying with us, beyond timelines.

I also further state and certify that the quarterly compliance reports have been uploaded on the CRA system as required under the regulations, guidelines, and circulars issued by the Authority.

Exceptions to the above have been specified in the separate annexure attached.

Signature of the Compliance officer along with Office Seal.

Name of Compliance officer:

E-Mail Id

Place:

Date:

Annexure-3

**QUARTERLY COMPLIANCE CERTIFICATE FROM COMPLIANCE OFFICER AT
OVERSIGHT OFFICE OF AGGREGATOR (For the Quarter of.....)**

(To be submitted online at CRA system by 10th of every successive quarter for onward submission to NPS Trust)

S.No.	Parameters	Yes	No	Remarks if any
1	Whether acknowledgment receipts are being provided to the subscriber for contribution?	Y	N	
2	Whether the Aggregator has prominently displayed necessary information on NPS-Lite/Swavalamban on notice board of Aggregator, their web site and publicity materials?	Y	N	
3	Whether all remittances to Trustee Bank are being made on the T+2 basis? (where T is date of getting clear fund)	Y	N	
4	Whether all the grievances lodged under CGMS in the CRA system are being checked for resolution?	Y	N	
5	Whether all grievances are being resolved within the time frame provided in the PFRDA (Redressal of Subscriber Grievance) Regulations, 2015?	Y	N	
6	Whether requests for changes in subscribers' profile and other details carried out as per prescribed time lines as mentioned in service standards/ guidelines of PFRDA?	Y	N	
7	Whether all the withdrawal request received at the office are being processed as per prescribed time lines mentioned in service standard/guidelines?	Y	N	
8	Whether the beneficiaries/legal heirs/nominees are being duly informed about additional documents demanded by CRA/NPS Trust for settlement of pending claims.	Y	N	
9	Whether, in case withdrawal claim rejected by CRA, the subscriber/claimants are being contacted for information and additional documents, if any required?	Y	N	

(The contents of the above are captured at CRA as self-certification for onward submission to NPS Trust)

Annexure-4

Quarterly Report on Business

(To be submitted by Aggregators to P&D Deptt., PFRDA by 10th of every successive quarter)

S.No.	Particulars/activities	As on 31 st March / 30 th June/30 th Sept /31 st Dec(Previous Quarter)	As on 31 st March / 30 th June/30 th Sept/ 31 st Dec(Current Quarter)
1	No. of Registered NLCCs: NLAOs: NLOOs:		
2	Total no. of NPS-Lite/Swavalamban subscribers registered with the Aggregator		
3	No. of NLCCs where subscribers are registered under NPS-Lite/Swavalamban but no contributions received for NPS-Lite/Swavalamban		
4	No. of Active NLCCs (having atleast 1 subscriber under NPS-Lite/Swavalamban):		
5	No./count of NPS-Lite/Swavalamban subscribers contributed under NPS-Lite/Swavalamban in current financial year as per the following: a. Below Rs. 1000/- b. Between Rs. 1000/- to Rs. 12000/- c. Above Rs. 12000/-		
6	Total amount collected during the quarter		
6	NPS-Lite/Swavalamban contributions remitted to NPS Trust account		
7	NPS-Lite/Swavalamban information whether updated on Aggregator's web page regularly		

Signature of the Nodal officer along with Office Seal:

Name of Nodal officer:

E-Mail Id:

Contact No.

Place:

Date:

Annual Certificate

**Regarding the continued validity of the registration granted by the Authority
(To be submitted to the Regulation & Supervision Deptt. PFRDA, annually by
30th April of every year)**

We have examined the relevant books of accounts, records and documents maintained by M/s. _____, (name of the Aggregator bearing PFRDA registration number _____ under the National Pension System to fulfill the fit and proper person criteria or eligibility criteria for acting as an Aggregator as required under the PFRDA Aggregator Regulations, 2015 as on 31st March, 20__.

Based on the scrutiny of relevant books of accounts, records and documents, we certify that the..... (Aggregator) is in compliance with the provisions pertaining to "meeting the eligibility criteria and other requirements specified in the Aggregator regulations throughout the tenure of such certificate so granted" under Clause 10 (f) of the PFRDA Aggregator Regulations, 2015 and in compliance of the relevant provisions of PFRDA Act, 2013. The details are as given below:

Sr. no	Check Point	Yes & details thereof	No
1	<p>Whether the status of the entity is as per the following:</p> <p>The following entities shall be eligible to be enlisted as an aggregator under the National Pension System:-</p> <p>(a) Nodal offices or entities managing the pension schemes for identified beneficiary groups under the Central and State Governments;</p> <p>(b) scheduled banks, Regional Rural Banks and other Financial Institutions;</p> <p>(c) India Post;</p> <p>(d) Insurance companies;</p> <p>(e) Micro-Finance Institutions(MFIs);</p> <p>(f) Non Banking Finance Companies (NBFCs)</p> <p>(g) Non Government Organizations(NGOs);</p> <p>(h) Entities running common service centers under the National E-Governance plan;</p> <p>(i) Housing Finance Institutions;</p> <p>(j) Any other category as may be specified by the Authority from time to time.</p>		
2	<p>Whether the entity, apart from the Central and State Government entities mentioned at clauses (a) and (c) of sub-regulation(1) the entities desirous of taking on the role of an aggregator shall be required to be registered under a Central or State enactment, namely:-</p> <p>(a) Societies Registration Act, 1860(21 of 1860) (including with States amendments of this Act);</p> <p>(b) IndianTrustsAct,1882 (2 of 1882);</p> <p>(c) Charitable and ReligiousTrustsAct,1920 (14 of 1920);</p> <p>(d)Companies Act,1956 (1of 1956) (Section25,for registration of charitable or other company);</p> <p>(e)Companies Act, 1956 (1 of 1956)[with necessary certification from the Reserve Bank of India (for Non Banking Finance Companies (NBFCs), Micro-Finance Institutions (MFIs));</p> <p>(f) Companies Act, 1956 (1 of 1956) (1 of 1956) or Companies Act, 2013 for any other Company;</p> <p>(g) Banking Regulation Act, 1949 (10 of 1949);</p>		

	(h) entities created by State or Central Government for any specified group of beneficiaries; (i) entities regulated by National Housing Bank; (j) any other Act or rule as may be specified by the Authority from time to time.		
3	Any other entity or class of entities, not covered under the provisions of sub-regulation (2), may be registered, if in the opinion of the Authority such entity or class of entities facilitates inclusion of their subscriber base under the National Pension System-Swavalamban and which have established capability with proven track record in the area of their operation.		
4	Whether the entity has been in business of financial services or financial products for at least five years as on date of application with a proven track record. Whether the entity is financially viable and have not incurred loss in at least three years of the past five years immediately preceding the date of application, Whether the entity has incurred cash losses in the immediately preceding two years on the date of application.		
5	Whether the entity has formal governance structure (board, managing committee or equivalent) with members on board having adequate experience in financial services or social development. The board, managing committee or equivalent shall adhere to the provisions contained under the respective Acts, rules or regulations governing such entities as mentioned against them in sub-regulation (2). Change in the constitution of the company and its promoters/directors during the FY:		
6	Whether the entity has an audit committee or equivalent mechanism under the rules or regulations made under the enactment under which it is functioning		
7	Whether the entity meets the following net worth criteria:- (a) rupees One Crore for those having been in business for more than five years; (b) for entities having exceptional track record and more than ten years of experience, the networth criteria may be relaxed to rupees Fifty Lakh in deserving cases, as may be deemed fit by the Authority.		
8	Whether the entity has capability to manage large customer data base suitable to their organization and meet other technology parameters as may be specified by the Authority from time to time.		
9	Whether the entity has trained staff with sufficient capability as may be specified by the Authority from time to time.		
10	Whether the entity has cash pooling and remittance capabilities as may be specified by the Authority from time to time.		
11	Whether any convictions and restraint orders passed by any financial sector regulator or by the court of law in any of the preceding five years. In case of any doubt or conflict on this count and pertaining to the application of registration, the decision of the Authority shall be binding during the FY:		
12	Whether the entity has submitted/provided the business plan to extend the scheme to their underlying subscribers		

13	The entity shall have to meet any other criteria as may be specified by the Central Government or the Authority from time to time in the form of resolutions, notifications, circulars, guidelines or memoranda.		
14	whether the applicant has in the past five years been subjected to any major inquiry proceedings or investigation under the Acts, rules, regulations and bye-laws of any regulator or other authority, as may be applicable;		

In our opinion and to the best of our information and according to the explanations given to us by the proprietor / partner (s) /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 Aggregator

Name of Compliance officer of the Aggregator:

E-mail Id:

Contact No.:

To

All Aggregators,

Sub: Audit of Aggregators under National Pension System (NPS)

As you are aware, the PFRDA Act, 2013 has become effective from 01/02/2014 and the PFRDA (Aggregator) Regulations, 2015 have been notified on 10/03/2015. In continuation of the same and in terms of the PFRDA (Aggregator) Regulations, 2015, the earlier set of operational guidelines are being replaced with this circular providing for the audit of accounts of the Aggregators as given below:

- All the Aggregators registered with the Authority (PFRDA) are required to get the annual accounts and processes audited on an Half-yearly basis by an independent external chartered accountant (which may include those chartered accountants who audit the *half yearly/* annual accounts of the Aggregators) and such audit reports shall be submitted to the Authority within 3 months from the date of closure of the accounts (Half yearly or annual as the case may be).
- The first such audit report should be for the period *April 1, 2015 to Sept 30, 2015*.
- The scope of such audit shall cover interalia, the existence, scope and efficiency of the internal control system, compliance with the provisions of the PFRDA Act, 2013, PFRDA (Aggregator) Regulations, 2015 and circulars/guidelines issued by PFRDA, agreements, KYC requirements and data security in respect of the operations of such Aggregators.
- All the Aggregators must maintain the books of accounts as stipulated in the regulations *and/or* as per the guidelines, circulars, notifications etc issued by the Authority from time to time on the subject matter.
- Please find enclosed herewith format of Audit certificate as **Annexure A**, format of Internal Audit Report and revised guidelines as **Annexure B**, list of Indicative Processes and reference of PFRDA circulars as **Annexure C** and actions for non-compliance as **Annexure D**.

The internal audit reports received from the Aggregators shall be reviewed by Authority and appropriate course of action would be pursued in cases where reports are not as per the requirements.

All Aggregators are advised to ensure compliance with the above.

Sd/-

Ashish Kumar
General Manager

CERTIFICATE FOR AUDIT

We have examined the relevant books of accounts, records and documents maintained by M/s. _____, (name of the Aggregator) bearing PFRDA registration number _____ under the National Pension System and to fulfill the internal audit requirement as prescribed by PFRDA (Aggregator) Regulations, 2015 and guidelines issued there under for the first/second half year ended _____.

The purpose of this Audit is to examine that the processes, procedures followed and the operations carried out by the Aggregator are as per the applicable Acts, Rules, Regulations, By-laws and Circulars prescribed by PFRDA and the notifications, circulars, guidelines etc issued there under.

We have obtained all the information and explanations, and examined the relevant books which to the best of our knowledge and belief were necessary for the purpose of this Internal Audit. In our opinion proper books of accounts, records and documents, as per the regulatory requirement have been maintained by the Aggregator.

We have conducted the audit within the framework provided by PFRDA for the purpose of this Internal Audit. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud / non-compliance /misrepresentation/violation by the Aggregator is observed during the course of this Audit.

Based on the scrutiny of relevant books of accounts, records and documents, we certify that the Aggregator has complied with the relevant provisions of PFRDA Act, 2013, PFRDA (Aggregator) Regulations, 2015 (Chapter IV, Regulations 21-26) and various circulars of PFRDA.

We declare that we do not have any direct / indirect interest in or relationship with the Aggregator or its shareholders / directors / partners / proprietors / management and also confirm that we do not perceive any conflict of interest in such relationship / interest while conducting internal audit of the said Aggregator.

In our opinion and to the best of our information and according to the explanations given to us by the proprietor/partner (s)/director (s)/ compliance officer, the Report provided by us as per the Annexure and subject to our observations, which covers the entire scope of the Audit, is true and correct.

Chartered Accountant
(Seal & Signature)

(Name of the Proprietor / Partner)
Membership no. / CP. No.

Place:-
Date:-

Annexure B

Guidelines and format of Audit Report specifying the minimum scope to be covered

Sr. no.	Particulars	Comments of internal auditor (whether Aggregator has complied with?)	Remarks of internal auditor (In case non compliance observed)	Sample Size
A	Subsequent contribution processing /Anti Money Laundering compliance			
1	Whether the existing subscribers are approached by Aggregator for persistence?	Yes/No/NA		25 subscribers or 100% whichever is lower
2	Whether receipt is provided to the NPS-Lite/Swavalamban subscriber for the contribution amount	Yes/No/NA		Audit period
3	Whether proper systems are in place to ensure timely subscription collection and issuance of acknowledgement in lieu of the receipt of contributions from the subscriber?	Yes/No/NA		Audit Period
B	Subscriber Servicing and risk management systems			
1	Whether change in address, bank account or any other subscriber request is carried out on receipt of written request along with documentary proof from the respective subscriber?	Yes/No/NA		25 subscribers or 100% whichever is lower
2	Whether the requests for subscriber maintenance have been processed within the stipulated timelines	Yes/No/NA		25 subscribers or 100% whichever is lower

C	Dealing with subscribers' funds			
1	Whether internal controls are in place to link the bank-ledger and the acknowledgement receipt	Yes/No/NA		25 subscribers or 100% whichever is lower
2	Whether subscriber contribution file (SCF) is uploaded on T+2 where T is the day of receiving clear funds by the Aggregator (NLOO/NLAO) in line with simultaneous remittance of funds to Trustee Bank on T+2 basis where T is the day of receiving clear funds by the Aggregator (NLOO/NLAO)?	Yes/No/NA		Audit period
3	Whether funds are remitted to Trustee Bank on T+2, where T is the day of receiving clear funds by the Aggregator (NLOO/NLAO)?	Yes/No/NA		Audit period
4	Whether subscribers funds are misutilised (not being remitted to NPS-Lite/Swavalamban system despite collection from subscriber without any justifiable reason)? If misutilised, instances to be provided	Yes/No/NA		Audit period
5	Whether the Aggregator (NLOO/NLAO) maintains separate designated accounted by the name of 'National Pension System – Agg – Name of the Aggregator – collection account – National Pension System Trust' and all activities including depositing of subscriber contribution are routed through that designated account for NPS-Lite/Swavalamban subscriber funds and own funds?	Yes/No/NA		Audit Period
6	Whether any additional amount towards admin fee, processing fee etc is charged by Aggregator or entities engaged by them from the subscriber?	Yes/No/NA		Audit Period

7	Whether the Aggregator has maintained audit trail right from collection of subscription to its upload/remittance to the CRA/TB at all levels of operations- NLCC-NLAO-NLOO for all its branches/ employees/clients and reconciliation of SCF uploaded and fund transfer?	Yes/No/NA		Audit Period
D	NPS-Lite/Swavalamban subscriber grievance handling			
		Number of complaints/grievances	Remarks	
1	Number of NPS-Lite/Swavalamban subscriber complaints pending at the beginning of half year, including CGMS of CRA.			
2	Number of subscriber complaints received during half year, including CGMS of CRA.			
3	Number of subscriber complaints resolved during half year, including CGMS of CRA.			
4	Number of subscriber complaints pending as on the last day of half year, including CGMS of CRA.			
5	Comment on investor grievance handling mechanism of the Aggregator, including CGMS of CRA.			
6	Summary on nature of complaints received and action taken by the Aggregator.			
7	What is the duration of the longest pending subscriber complaint?			

		Comments of internal auditor (whether Aggregator has complied with?)	Remarks of internal auditor (In case non compliance observed)	Sample Size
8	The grievances are entered in the CGMS as per stipulated timelines, if not lodged in CGMS system by the subscriber and received at Aggregator directly.	Yes/No/NA		Audit Period
9	The grievances raised against the Aggregator are resolved within the timelines specified by PFRDA, including CGMS of CRA.	Yes/No/NA		Audit Period
10	Whether designated email id for lodging grievance by NPS-Lite/Swavalamban subscriber is created and informed to the CRA and displayed on the website of the Aggregator?	Yes/No/NA		Audit Period
11	Whether complaints received on the designated email ID are being looked into to address the same?	Yes/No/NA		Audit Period
12	Whether the Aggregator has taken adequate steps for redressal of grievances within one month from the date of receipt of complaint?	Yes/No/NA		Audit period
13	Whether the Aggregator has informed the NPS Trust and the subscriber about the actions taken for the Redressal of grievances of the NPS-Lite/Swavalamban subscriber?	Yes/No/NA		Audit period
E	Whether prescribed books of accounts, registers and records are maintained with the required details and for the stipulated period as per regulatory requirement.			
1	A print copy of Acknowledgement and soft copy of the CSF (Contribution Submission Form) uploaded to CRA system is maintained by the Aggregator?	Yes/No/NA		Audit period

2	Pay-in /Pay out was received from / made to account from the respective subscriber for arriving at the clear funds and systems are in place to ensure compliance in this regard by the Aggregator?	Yes/No/NA		Audit period
3	All quarterly compliance certificates are checked and found correct	Yes/No/NA		Audit period
4	A dedicated electronic mail id, for receiving subscribers' grievances?	Yes/No/NA		Audit period
F	Withdrawal/ Partial Withdrawals			
1	It is ensured that the withdrawal requests are provided by the subscribers/claimants in the format as prescribed by PFRDA	Yes/No/NA		Audit period
2	The signature of the subscriber is verified with the records for processing the withdrawal request	Yes/No/NA		Audit period
3	Supporting documents (as prescribed by PFRDA from time to time) are obtained from the subscriber/claimant.	Yes/No/NA		Audit period
4	In case where the withdrawal claim has been rejected at CRA, the subscriber/claimants are contacted and reasons for rejection of claim are explained to the subscriber/claimants and requisite rectifications (if any) are carried out by obtaining requisite documents from the subscriber/claimant	Yes/No/NA		Audit period
G	Comments of the auditor on any other area (Give details of the comments) – Separate sheet may be attached, if required			

Signature of the Auditor: _____

Name of the Auditor : _____

Membership No : _____

Stamp of the Audit Firm: _____

Date:

Place:

Points to be noted:

The guidelines prescribed hereunder do not limit the scope of the internal audit. The points mentioned are only indicative in nature and not exhaustive. It however, does not limit the scope of the internal audit. This has been prepared based on the regulatory requirement (as per relevant acts, rules, regulations and circulars) which keep on developing from time to time. The auditors should peruse them and update the scope of the audit. The auditors should clearly indicate 'Yes' indicating Compliance, 'No' indicating Non-compliance and 'NA' wherever 'Not Applicable'.

The report shall also include the following.

1. Management comments

- a) In case of any non-compliances/findings/observations/qualifications by the auditor the management responses should be given to the authority against each point. Further para wise comments are required to be given by the management as given in the format above.
 - b) The Aggregator to mention the date on which the report has been presented to the Board/Management/Audit Committee/Proprietor for their approval and indicate corrective and preventive actions taken by the management for addressing the deficiencies along with the timeliness of when the agreed suggestions would be implemented.
2. Improvements brought about in the operations between the last audit and the current audit.
 3. Auditor shall specifically declare about direct / indirect interest in or relationship with the Aggregator or its shareholders / directors / partners / proprietors / management if any and also confirm that they do not perceive any conflict of interest in such relationship / interest while conducting internal audit of the said Aggregator.
 4. Membership number allotted by the affiliated professional body should be quoted at the bottom of the report as provided in the format .Each page of the report shall be signed and stamped by the auditor.
 5. In case any violations/qualifications/observations are observed by the auditor the same shall be submitted as annexure with complete details and should be quantified specifying the no of instances, value etc. and the evidences should be enclosed with the Internal Audit Report.
 6. Sample size indicated in the format above is minimum sample size. The auditor may increase the sample size as it may deem fit. It is desirable that the sample selected is representative sample of the population.
 7. The internal audit report should be submitted to PFRDA by the Aggregator as per the report format specified above along with the management comments wherever non-compliance/adverse remarks are made by the auditors.
 8. In case where internal audit report submitted is incomplete and not as per the guidelines like sample size not given, only certificate submitted without report, same would be treated as non-submission of internal audit report. PFRDA reserves the right to advise a Aggregator to either get the audit redone for completing the set audit process and format or change its auditor if quality of the report is not satisfactory or the audit is not carried out as per guidelines.
 9. If in the opinion of the auditors, any observation related to any area also possesses a risk relating to Anti Money Laundering (AML) or Combating Financing of Terrorism (CFT) then such observation should be highlighted clearly specifying the risk relating to it.

Indicative Processes/guidance for verification of respective areas:

1. **Subscriber registration and documentation/Anti Money Laundering Compliance:**
 - i. Checks and balances in place as per the guidelines.
 - ii. Procedure followed by the member for informing the PRAN and other details to the subscribers & uploading to the CRA system of such data and transfer of clear funds to the Trustee bank.
 - iii. Customer acceptance policy and customer due diligence measures
2. **NPS Subscriber Service Request management and risk management systems**
 - i. Procedure adopted for receipt of request for services from subscribers
 - ii. Mechanism for order management and execution of subscriber requests for service.
 - iii. Process walk through and verification of procedure adopted for implementation of internal code of conduct and internal controls to prevent violation of guidelines or Service level standards stipulated for various activities under NPS-Lite/Swavalamban.
3. **Dealing with subscribers' funds and securities**
 - i. Verification of internal controls adopted by the member while accepting banker's cheque / demand draft/cash from subscribers
 - ii. Procedure for ensuring that receipts and payment of funds/securities are from/to respective subscriber only(discussion and clarification required)
 - iii. Verification of following books of accounts/records
 - Register of contributions received (cheques, DDs and Cash or online transactions)
 - Register of transaction history done by the Aggregator upon requests from NPS-Lite/Swavalamban subscribers.
 - Bank Statements
 - CRA related transaction books/accounts maintained by Aggregator
 - Cash Book
 - Bank Book
4. **Banking and NPS account operations**
 - i. Procedure for segregation of own and NPS-Lite/Swavalamban subscribers' funds and instruments (in separate accounts)
 - ii. Internal controls for use of subscriber bank and subscriber NPS-Lite/Swavalamban accounts only for authorized purposes.

5. Management of Aggregator / Sub Entity and internal control

- i. System and Policy followed for opening / closing of branch
- ii. Procedure adopted to inform the same to subscribers
- iii. Periodicity and procedure adopted for inspection of Aggregator's branches
- iv. Reporting mechanism and mode of informing the inspection observations to Aggregator's branches and Follow up action plan
- v. Policy of fixing of roles and responsibilities of officials in head office and branch office
- vi. Documentation of Internal controls and Comments on Internal controls in place

6. Subscriber grievance handling

- i. Mechanism to monitor complaints lodged with Aggregator branches
- ii. Entry of the same in CGMS system of CRA.
- iii. Mechanism to monitor complaints lodged in CGMS in CRA against Aggregator.
- iv. Maintenance of complaints register
- v. Redressal mechanism for complaints registered against the member
- vi. Verification of subscriber grievance register and email id
- vii. Internal control for verification of complaints received through the designated email –id

7. Maintenance of Books of Accounts

- i. Prescribed books of accounts, registers and records are maintained, with the required details and for the stipulated period as per regulatory requirement

PFRDA and CRA references:

S No.	Subject matter	Reference
1	Subscriber servicing (contribution processing) and documentation / Anti Money Laundering Compliance:	Aggregator operations manual issued by CRA and PFRDA (Aggregator) Regulations, 2015 and PFRDA guidelines
2	NPS Subscriber Service Request management and risk management systems	Aggregator operations manual provided by CRA and PFRDA (Aggregator) Regulations, 2015 and PFRDA guidelines
3	Dealing with subscribers' funds and securities	PFRDA (Aggregator) Regulations, 2015 and PFRDA guidelines
4	Banking and NPS account operations	Aggregator operations manual provided by CRA and PFRDA (Aggregator) Regulations, 2015 and PFRDA

		guidelines
5	Management of branches and internal control	Agreement with CRA and NPS Trust and PFRDA guidelines
6	Investor grievance handling	Subscriber Grievance Regulations, 2015, Circulars and guidance issued by PFRDA, NPS Trust and PFRDA (Aggregator) Regulations, 2015 and PFRDA guidelines
7	Maintenance of Books of Accounts	PFRDA (Aggregator) Regulations, 2015 and PFRDA guidelines

Annexure D

ACTIONS FOR NON-COMPLIANCE

All Aggregators are required to ensure that they submit the internal audit report in the prescribed format as per Annexure-A and Annexure-B within 3 months from the date of closure of the accounts (Half yearly or annual as the case may be) in order to avoid any late / non-submission charges / disciplinary actions.

The following late submission charges/ disciplinary actions would be initiated by the Authority against the Aggregator for non-compliance of these directions:

PARTICULARS	ACTION
Non submission of internal audit report to the Authority within 3 month from the due date of submission of the report	Charges of Rs.1000/- per month after the due date till the 3rd month or date of submission of report, whichever is earlier
Non submission of internal audit report to the Authority for more than 3 months from the due date of submission of the report	Charges of Rs.2000/- per month from the end of 3 months from the due date till the date of submission of report.
Non submission of Internal Audit Report to the Authority beyond 6 months from the due date of submission of the report	Disciplinary action along with penalties as may be decided by the authority which may also include withdrawal of Certificate of Registration.

The Aggregators are required to mandatorily submit internal audit reports in the physical form. Further, submission of documents not in the prescribed formats would be construed as non-submission of the said document and non-submission charges would be levied accordingly.

It may also be noted that for non-compliances/ violations reported by the Internal Auditors in their reports along with the management acceptance of the auditor findings, actions shall be initiated by the Authority.
