

Frequently Asked Questions (FAQs) on registration of Retirement Adviser (other than Individuals) under NPS

Disclaimer: These FAQs are prepared with a view to guide market participants on PFRDA (Retirement Adviser) Regulations, 2016 & its subsequent amendments. For full particulars of laws governing the Retirement Advisers (RAs), before filling up the application form, please refer to the PFRDA Act and PFRDA (Retirement Adviser) Regulations, 2016 & its subsequent amendments, appearing under the Regulatory Framework Section of PFRDA website i.e. www.pfrda.org.in. Any queries about the PFRDA (Retirement Adviser) Regulations, 2016 can be addressed to the Regulation (Retirement Adviser) Department, PFRDA.

1. Who is Retirement Adviser?

“Retirement adviser” means any entity being a company, registered partnership firm, body corporate, sole proprietorship or any registered trust or society, who desires to engage in the activity of providing advice on National Pension System or other pension scheme regulated by Authority to prospects/subscribers or other persons or group of persons and is registered as such under these regulations.

2. Where to make an application to get registered as a Retirement Adviser?

Application shall be made through Online Registration module, link for which, is available on PFRDA website (online link: <https://cra-nsdl.com/CRAOnline/RALandingPage.html>).

3. What is the procedure of obtaining registration as a Retirement Adviser (other than Individuals) from PFRDA?

Applicant has to submit the application online through Online Registration module available on PFRDA website (online link: <https://cra-nsdl.com/CRAOnline/RALandingPage.html>). Please refer the instructions published on the home page (of the given link) before initiating registration process.

4. Whether applicant has to upload all the documents and other details in the online process?

Yes, applicant has to upload all the mandatory documents listed in the application form and other details while making online application, in ‘jpeg’, ‘jpg’ or ‘pdf’ format only. The additional enclosures listed in the application form are optional. Applicant should also ensure that all the required documents are self-attested before uploading otherwise application shall be liable for rejection.

5. Whether applicant has to submit the physical application post submitting the application through online process?

Yes, applicant has to take print of the following and submit to PFRDA, duly self-attested.

- (i) Print of application form, submitted online.
- (ii) Print of the confirmation of application fee payment and
- (iii) Prints of all the self-attested documents uploaded while online submission.

6. Who is eligible to make an application in the “Other than individual capacity” to get registration under PFRDA (Retirement Adviser) Regulations, 2016 as a retirement adviser?

Proprietary concern, firm, limited liability partnerships, body corporate or a registered partnership firm or society or trust registered under applicable law is engaged or willing to engage in the business of providing Retirement advice on NPS to subscribers is required to make an application to get registration under of PFRDA (Retirement Adviser) Regulations, 2016 & its subsequent amendments, unless specifically exempted under the said Regulations.

7. What are the qualification and certification requirements specified for RAs “Other than individuals” under Retirement Adviser Regulations?

The proprietor, partners, trustees, members of societies and representatives of a retirement adviser registered under these regulations, offering retirement advice shall possess the minimum qualifications of being a Graduate in any discipline and should possess a valid certification on retirement planning or retirement advisory services issued by National Institute of Securities Market (NISM). For more details on the certification, individual may visit NISM website www.nism.ac.in.

8. Is there any requirement of post qualification experience before acting as a RA?

If proprietor or partners of proprietorship firm, partnership firm or limited liability partnership are graduates, an experience of at least five years in activities relating to advice in financial products or retirement products or fund or asset or portfolio management is required. A graduate in any discipline with not less than five years experience in activities relating to advice in financial products or retirement products or fund or asset or portfolio management provided that requirement of experience shall not be applicable in case of an entity seeking registration having employee(s) who are certified Retirement Advisers. (provide self certified copies of supporting documents).

Post qualification experience is not required, if proprietor or partners possess a professional qualification or post-graduate degree or post graduate diploma in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association.

9. Who are exempted for getting certification form National Institute of Securities Market (NISM)?

Certification from NISM shall not be mandatory in the following cases:

- (i) An Investment Adviser registered with Securities and Exchange Board of India under its regulations.
- (ii) Any Certified Financial Planner (CFP) or Associate Financial Planner (AFP)- Retirement Planning Certification/s, awarded by Financial Planning Standards Board India (FPSB India)
- (iii) Any other cases as specified by Authority.

10. What is the validity of the certificate issued by NISM?

This certificate is valid for three years from the date of issue. As per requirement under regulations, renewal of the existing certificate must be done before expiry of the existing certificate, to ensure continuity in compliance with certification requirements.

11. What is the fee structure for getting registration as a Retirement Adviser?

The fee structure requirement for getting registered as a Retirement Adviser_Other than Individual is as under:

Application Fee (Non-Refundable. To be submitted along with application): Rs.1000/- (Fee shall be paid through NEFT only and the details of the transaction must be entered at the time of submitting application)

Registration Fee* (Non-refundable): Rs.5,000/- (Fee shall be paid through NEFT only and the details of the transaction must be entered in the online RA module post issuance of Letter of Acceptance by PFRDA)

**The Registration fee referred above shall be paid by the applicant within fifteen days from the date of receipt of intimation from the Authority by an online fund transfer from applicant's Bank Account (through NEFT) in favour of 'PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY' or as specified by the Authority from time to time.*

Security Deposit:** Rs.50,000/- (To be submitted post issuance of Certificate of Registration by PFRDA)

*** Retirement Adviser individual shall provide security deposit in the form of bank deposit OR performance guarantee of Rs.50,000/- (R. fifty thousands) to the Authority before commencement of business, in favour of Pension Fund Regulatory and Development Authority. The deposit/ Guarantee shall be valid for three years and six months.*

12. How long shall the certificate of registration for retirement adviser remain valid?

The certificate of registration granted under regulation 9 shall be valid for a period of three years from the date of its issue.

13. Whether insurance agent or insurance broker or mutual fund distributors are exempted from obtaining registration under Retirement Adviser Regulations?

No exemption for insurance agent or broker or mutual fund distributor

14. Whether Investment Advisor under SEBI is exempted from obtaining registration under PFRDA (Retirement Adviser) Regulations, 2016?

For Investment advisor under SEBI, only exception is of not getting certification from NISM.

15. Whether exempted category of entities can charge fees related to RA activities as specified by authority?

As per the regulations, retirement advisory services provided by exempted entities are incidental to their other services. Hence such entities cannot charge specifically any fee related to RA activities.

16. What fees can a Retirement Adviser charge from the subscribers for the services rendered by him?

Retirement Adviser can charge three type of fees from the subscribers to whom he/she has given retirement advise as per regulations and these fees are

- i) On boarding charges* – Rs.200 /- (Max.) on completion of on-boarding/registration of subscriber and generation of PRAN.
 - ii) Subsequent transaction charges* – minimum Rs.20 per transaction and maximum Rs.100/- per annum.
 - iii) Advisory fee* - 0.02% of AUM subject to a minimum of Rs. 100/- and maximum Rs. 1000/- per annum, for providing advice to the subscribers.
- The Charges/advisory fee may be revised by the Authority from time to time by issuance of circular / guidelines.

17. Whether RAs have to issue receipt for each type of fee recovered under RA activity?

Yes, RA has to issue receipt for each type of fee separately. Format for the same shall be made available through circular / operational guidelines for RAs.

18. Whether entities under this category have to appoint compliance officer?

Yes, entities shall appoint a compliance officer who shall be responsible for monitoring the compliance by the Retirement Adviser in respect of the requirements of the Act, regulations, notifications, guidelines, instructions issued by the Authority.

19. What amount has to be submitted as a security deposit?

Retirement Adviser (Other than individual) should submit Security Deposit/Bank Guarantee of Rs. 50,000/- within 15 days from the date of receipt of Certificate of Registration (CoR) and before commencement of activities as RA.

20. What is the limit of revenues generated through RA activities for yearly audit in respect of compliance of regulations?

As per regulations, RAs have to maintain books of records & other mandatory documents. For compulsory yearly audit ,limit of income generated through RA activities shall be made available through circular / operational guidelines.

21. Whether entities engaged in execution activities have to keep RA activities separately?

Yes , Retirement Advisers which are banks, Non- Banking Finance Companies (NBFCs) and body corporate providing distribution or execution services to their prospects shall keep their retirement advisory services segregated from other activities and have to adhere to regulation 24.

22. What is the status of RA after expiration of certificate of NISM but before expiry of RA registration ?

RAs have to ensure the continuity of the certification throughout the registration period for RA. If same is not fulfilled by the RA , his/her user access as RA, provided by CRA for functioning of RA related activities, would be deactivated from the date of expiry of NISM certification till renewal NISM certification.

23. Is there any TAT for various activities related to RA functions?

Yes, RAs shall have to discharge various activities within the stipulated timeframe as may be decided by the authority and same shall be made available through circular / operational guidelines.

24. What is the process of renewal of certificate of RA?

Three months before the expiry of the period of validity of the certificate, the retirement adviser may, if it so desires, make an application for grant of renewal of certificate of registration. The application for renewal shall be dealt with in the same manner as if it were an application made under sub-regulation (2) of regulation 3 for grant of certificate.

The Authority will also take into consideration, the performance of the retirement adviser during the original period of certification including the number of new accounts opened.

25. Is there any provision of penalty for late submission of renewal application?

Yes, there is a provision for levying penalty for late submission of renewal application and same shall be made available through circular / operational guidelines.

26. What are the activities which have to be performed by RA?

Role & responsibilities and code of conduct of RAs have been detailed in the regulations and should be adhered by the RAs.

27. Is it mandatory for RAs to have a tie up with the PoPs?

No, but this will facilitate smooth handling of NPS related activities like on boarding of subscribers, timely execution of various instructions of the subscribers.

28. Can RAs have tie up with multiple PoPs?

RAs can have tie up with multiple PoPs. RAs have to inform about their tie-ups with the PoPs to the prospective subscribers. RAs may like to on board subscribers through their bankers for the convenience of the subscriber.

29. If RA has not made tie up with PoP, how shall RA facilitate on boarding of the subscriber?

If RAs are not having tie up with PoPs, they have to guide subscribers for registration through eNPS in their individual capacities. RAs cannot open subscribers' accounts through e-NPS by entering data /execution of payment etc. on behalf of subscribers.

30. Is it mandatory for subscribers to take subsequent services after on boarding?

No, it is not mandatory for the subscribers, as charges for subsequent services are different from on boarding charges.

31. Is there any other requirement before charging advisory fee?

RA has to enter into a written agreement with the subscriber before charging fee under advisory fee head as prescribed by PFRDA vide its circular/operational guidelines.

32. Is it mandatory to on board the subscriber before providing subsequent services and retirement advisory?

No, existing registered subscribers may also be serviced by the RAs on subscriber request.

33. Whether entity can engage its own employees to works as RA ?

If any entity engaging their own employees to work as RA, it has to ensure that all such employees should possess minimum qualification & valid certification of retirement planning as stated in the Regulations, while submitting applications entity has to submit details of all such employees.