

Guideline for operation activities to be followed by Point of Presence under NPS

Introduction:

The National Pension System (NPS), instituted by the Government of India, serves as a vehicle for citizens to prudently secure their retirement benefits through a combination of safety and market-driven returns. Oversight and regulation of the NPS fall under the purview of the NPS Trust, an entity appointed by the Government of India, with the primary aim of mobilizing small savings from subscribers and ensuring a secure, market-oriented return on their contributions upon retirement.

Regular contributions from subscribers, including employees from the Government and corporate sectors, along with contributions from their respective employers, are strategically invested in Pension Funds selected by subscribers from an approved list. Upon reaching superannuation, a portion of the accumulated corpus is available for lump-sum withdrawal, while the remainder can be invested in an "Annuity" through a registered Annuity Service Provider (ASP), facilitating a consistent pension income for the subscriber.

Each subscriber is assigned a Permanent Retirement Account Number (PRAN) by the Central Record Keeping Agency (CRA). This PRAN serves as a comprehensive identifier, tracking all transactions, contributions, modifications of details, and scheme preferences. The oversight mechanism involves coordination between the Nodal Office, subscribers, and various entities such as PFRDA, CRA, Trustee Bank, Annuity Service Providers, Custodian, and Pension Funds.

Tata Securities Limited (TSL) functions as the registered **Point of Presence (POP)** within the NPS architecture. The following procedures are outlined as a guide for POP functions under the regulatory framework of the Pension Fund Regulatory and Development Authority (PFRDA) (Point of Presence) Regulations, 2018, and PFRDA POP operating guidelines. These guidelines aim to offer clarity on POP activities, encompassing their scope, key functions, essential outputs, and measurements required for compliance with applicable regulations, establishing a foundation for robust internal controls.

Registration details:

- **PFRDA Registration Number:** POP388122023
- **Schemes under TSL PoP is registered:** National Pension System (NPS)
- **Registration Date:** 6th December 2023

The detailed guidelines covering following points are enclosed:

A. Service standards:

- a. PoP shall follow the 'Service Standards' for all activities under NPS as prescribed in the schedule of these guidelines for providing the services to subscribers/prospects of NPS

- b. PoP shall be liable to compensate the affected subscribers in the event of any delay or violation in the Service Standards as prescribed in the Schedule.
- a. Subscribers who do not get the benefit of redress for the delay in Turn Around Time (TAT) for various activities as prescribed in the Guidelines, can register a complaint/grievance against the concerned PoP in Central Grievance Management System (CGMS) in accordance with Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof and follow the escalation matrix prescribed therein.
- b. PoP shall adhere to the PFRDA Act 2013, rules, regulations, circulars, guidelines, directions, advisories and instructions issued by the Authority from time to time

B. Standard operating procedure:

- a. PoP shall adhere to the SOPs, for interfacing with CRA and other intermediaries, prescribed by the CRAs and/or the Authority for operational activities with respect to NPS.

C. Subscriber onboarding procedure:

- a. PoP shall follow the service requirements for on-boarding of subscriber under NPS as prescribed in the Schedule

D. Contribution management procedure:

- a. PoP shall collect and process the contributions as per the service requirement prescribed in the Schedule.

E. Report & disclosures:

- a. PoP shall submit digitally signed / duly signed, stamped and scanned copy of reports to Supervision department - PoPs, PFRDA at reports-pop@pfrda.org.in from the official e-mail ID of the Compliance Officer or as per the mode prescribed by the Authority from time to time.

F. Redressal & grievance:

- a. PoP shall maintain Grievance Redressal Mechanism internally as per PFRDA (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof for redressing complaints with respect to the services rendered to NPS subscribers.
- b. The name, e-mail id/s and telephone number/s of the designated Grievance Redressal Officer (GRO) of the PoP/PoP-SPs/service provider branches/offices are already displayed on website. The GRO shall ensure that the grievances of subscribers are redressed effectively and expeditiously.
- a. PoP shall monitor grievances lodged in CGMS portal on daily basis and it shall ensure that those grievances are resolved on immediate basis.

G. Other functions:

- a. PoP shall appoint a 'Compliance Officer' who shall be responsible for monitoring compliance under NPS including provisions of the PFRDA Act 2013, rules, regulations, notifications, circulars, guidelines, directions, advisories and any other instructions issued by the Authority from time to time.

- a. PoP shall maintain absolute confidentiality with respect to all records, data and information received by it in accordance with PFRDA (Point of Presence) Regulations, 2018 and amendments thereof from time to time.
- a. PoP shall have adequate IT infrastructure for carrying out activities under NPS as prescribed under the PFRDA Act 2013, Rules, Notifications, guidelines etc.

SCHEDULE I

Service Standards for PoP-NPS and PoP-NPS-Online

Types of Activities	Service Requirements	Turn Around Time	Compensation payable to subscribers in case of default
I	II	III	IV
1. On-boarding of subscribers under NPS			
a. Subscriber registration	i. PoP shall address the queries of potential subscribers regarding NPS. ii. PoP shall collect complete SRF along with non-cash instruments for initial contribution as prescribed therein, as applicable. (Definition: Complete SRF means Subscriber Registration Form along with necessary documents as prescribed therein) iii. PoP shall carry out customer due diligence procedures in adherence to Prevention of Money Laundering Act, 2002 through effective use of Know Your Customer Verification Processes and comply with all guidelines/ circulars/ directions issued by the Authority from time to time. iv. In case of any discrepancy found during the collection and verification of SRF along with supporting documents, PoP/PoPSP/PoP-SE shall: a. Inform the applicant.	Category i: Processing of registration through online mode by both PoP and PoP-SPs/service provider branches/offices. Maximum T+1 day, where T is the date of receipt of complete SRF at PoP. Category ii: Processing of registration through offline mode by PoP-SPs/service provider branches/offices and online mode by PoP. Maximum T+7 days, where T is the date of receipt of complete SRF at PoP-SPs/service provider branches/offices Category iii: Processing of registration through offline mode by utilizing CRA/CRA-FC by both PoP-SPs/service provider branches/offices and PoP.	For each delayed transaction, PoP shall pay: Repo rate + 2 % p.a. of initial contribution amount for the period of delay or Rs. 20/whichever is higher. (This amount should be credited to the subscriber's PRAN).

	b. Coordinate with the applicant to get further requirements / new application form filled, if required. c. Refund the contribution amount including processing fees and taxes deducted/collected upfront by	Maximum T+10 days, where T is the date of receipt of complete SRF at PoPSPs/service provider branches/offices.	
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	maintaining proper audit trail. v. PoP shall provide acknowledgement slip / receipt for collection of SRF and initial contribution with unique number at time of registration along with receipt date and stamp/signature. vi. PoP shall process subscriber registration at CRA portal (if applicable). vii. PoP shall forward complete SRF (including KYC documents) to central recordkeeping agency (CRA) or its representative and/or shall be guided by directions issued by the Authority from time to time in respect of handling of SRFs. PoPs shall maintain complete SRF (including KYC documents) or copy of the same in digital/physical mode.		
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2. Contribution Processing

a. Collection of Contribution	<u>i) Initial contribution</u> PoP shall ensure collection of contributions at the time of registration. Post receipt of activation status of PRAN from CRA, PoP shall put non-cash instruments for clearance.	Maximum T+1 day, where T is the date of receipt of activation status of PRAN from CRA. (Note: In cases where PoP engages PGSPs, PoP to collect the subscriber's contribution in maximum T+1 day, where T is the date of contribution made by subscriber).	For each delayed transaction, PoP shall pay: Repo rate + 2 % p.a. of contribution amount for the period of delay or Rs. 20/whichever is higher. (This amount should be credited to the subscriber's PRAN)
	<u>ii) Subsequent contribution</u>		
	i. PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature.	i. On T day, where T is the date of receipt of non-cash instruments / receipt of contributions through online mode.	
	ii. Post verification of PRAN, PoP shall put non-cash instruments for clearance.	ii. Maximum T+1 day, where T is the date of receipt of non-cash instruments. (Note: In cases where PoP engages PGSPs, PoP to collect the subscriber's contribution in maximum T+1 day, where T is the date of contribution made by subscriber).	

b. Processing of Contribution	i. PoPs, which are banks, shall credit the clear funds into the NPS collection account, if the same has been realized into account other than NPS collection account. ii. PoP shall prepare and upload SCF into CRA system. iii. PoP shall remit the funds to Trustee Bank post successful upload of SCF at CRA portal.	Maximum T+1 day, where T is the date of receipt of clear funds by PoP. In case of processing of contributions received from corporates tagged to PoP, maximum T+1, where T is the date of receipt of funds along with subscribers' details from the corporate, subject to the condition that PoP shall return the funds to the tagged corporate on T+2 on non-receipt of subscriber details, where T is the date of receipt of clear funds by PoP/PoP-SP.	For each delayed transaction, PoP shall pay: Repo rate + 2 % p.a. of contribution amount for the period of delay or Rs. 20/whichever is higher*. (This amount should be credited to the subscriber's PRAN) *Compensation shall be paid for each underlying subscriber.
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3. Processing of Service request(s)

a. Scheme Preference change	i. PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii. PoP shall upload and process the service request(s) as per the SOP (Standard Operating Procedure) provided by CRAs at their portal.	Category i: Receipt of change request directly by PoP. Maximum T+1 day, where T is the date of receipt of complete change request at PoP. Category ii: Receipt of change request by PoP through PoP-SPs/service provider branches/offices. Maximum T+7 days, where T is the date of receipt of complete change request at PoPSPs/service provider branches/offices.	i) For each delayed transaction including delay due to wrong/incorrect processing, PoP shall pay: Repo rate + 2 % p.a. of the transacted amount for the period of delay or Rs. 20/whichever is higher. (This amount should be credited to the subscriber's PRAN) ii) In case of loss to subscriber is more than the compensation applicable, then PoP shall make the loss good.
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b. Other service request(s) i.e. Change in subscriber's details, shifting of subscriber, change of PoP, inter-sector shifting, etc.	i. PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii. PoP shall upload and process the service request(s) as per the SOP (Standard Operating Procedure) provided by CRAs on their portal.	Category i: Receipt of change request directly by PoP Maximum T+1 day, where T is the date of receipt of complete change request at PoP Category ii: Receipt of change request by PoP through PoP-SPs/service provider branches/offices. Maximum T+7 days, where T is the date of receipt of complete change request at PoPSPs/service provider branches/offices.	For each delayed transaction including delay due to wrong/incorrect processing, PoP shall pay: Rs. 10/- per day subject to maximum Rs. 100. (This amount should be credited to the subscriber's PRAN)
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4. Grievance Management and Exit processing

a. Grievances received from NPS subscribers/prospects	i. PoP shall resolve the grievances received in CGMS in accordance to relevant Regulations. ii. In case PoP receives the grievance directly from subscribers (modes other than CGMS), it shall ensure to upload the same into CGMS and maintain records of such grievances and resolve the same.	As per the Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof.	As per the Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof.
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b. Processing of exit and withdrawal requests	i. PoP shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii. PoP shall collect the exit request along with requisite documents and perform necessary due diligence in accordance with Regulations / Guidelines / Circulars / Directions / Instructions issued by the Authority from time to time.	Category i: Receipt of exit request directly by PoP (through CRA portal) Maximum T+1 day, where T is the receipt of such request at PoP along with complete set of supporting documents as prescribed therein. Category ii:	i) For each delayed transaction including delay due to wrong/incorrect processing, PoP shall pay: Repo rate + 2 % p.a. of the transacted amount for the period of delay or Rs. 20/whichever is higher.
	iii. PoP shall upload and process the exit and withdrawal requests as per the SOP (Standard Operating Procedure) provided by CRAs at their portal.	Receipt of exit request by PoP through PoP-SPs/service provider branches/offices Maximum T+7 days, where T is the date of receipt of such request at PoP-SPs/service provider branches/offices along with complete set of supporting documents as prescribed therein.	ii) In case of loss to subscriber is more than the compensation applicable, then PoP shall make the loss good.
c. Handling of Exit/withdrawal forms received offline from subscribers	PoP shall submit the exit/withdrawal request form along with supporting documents received offline from subscribers to CRA for storage purpose. PoP shall maintain a copy of the same in physical/digital mode.	Maximum T+30 days, where T is the date of authorization of exit/withdrawal request in CRA system.	-

SCHEDULE II

Service Standards for PoP-NPS-Corporate

Types of Activities	Service Requirements	Turn Around Time	Compensation payable to subscriber (employee) in case of default
I	II	III	IV
1. On-boarding of subscriber under NPS			
Subscriber registration	i. PoP-NPS-Corporate (Employer) shall collect complete SRF from the newly joined employee (subscriber). (Definition: Complete SRF means Subscriber Registration Form along with necessary documents as prescribed therein) ii. PoP-NPS-Corporate shall carry out customer due diligence procedures in adherence to Prevention of Money Laundering Act, 2002 through effective use of Know Your Customer (KYC) Verification Processes and comply all guidelines/ circulars/ directions issued by the Authority from time to time. iii. In case of any discrepancy found during the collection and verification of SRF along with supporting documents, PoPNPS-Corporate shall: a. Inform the employee. b. Coordinate with the employee to get further requirements / new application form filled, if required. c. PoP-NPS-Corporate shall provide salary slip / acknowledgement slip with date and stamp/signature. iv. PoP-NPS-Corporate shall process subscriber registration at CRA portal (if applicable)	Maximum T+9 days, where T is the date of joining of employee (subscriber) covered under NPS.	For each delayed transaction, PoP-NPS Corporate shall pay: Repo rate + 2 % p.a. of first contribution amount for the period of delay or Rs. 20/- whichever is higher. (This amount should be credited to the subscriber's PRAN)

	v. PoP-NPS-Corporate shall forward complete SRF (including KYC documents) to central recordkeeping agency (CRA) or its representative and/or shall be guided by directions issued by the Authority from time to time in respect of handling of SRFs. PoP-NPS-Corporate shall maintain complete SRF or copy of the same in digital/physical mode.		
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2. First Contribution Processing

First Contribution Processing	i. Post receipt of activation status of PRAN from CRA, PoP-NPS-Corporate shall prepare and upload SCF into CRA system. ii. PoP-NPS-Corporate shall remit the funds to Trustee Bank post successful upload of SCF at CRA portal.	PoP-NPS-Corporate to file the Turnaround Time (TAT) for activities mentioned under second column with the Authority within 3 (three) months from date of issuance of guidelines under 'File-and-Approve' mechanism. In case of non-filing of TAT within the prescribed timeline or till the time the TATs are filed and approved by the Authority, the maximum T+2 days will be applicable, where T is the date of PRAN generation or salary day of the month in which employee has joined, whichever is later.	For each delayed transaction beyond the TAT approved under File-and-Approve mechanism, PoP-NPS-Corporate shall pay: Repo rate + 2 % of first contribution amount for the period of delay or Rs. 20/- whichever is higher. (This amount should be credited to the subscriber's PRAN)
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3. Subsequent Contribution Processing

Subsequent Contribution Processing	i. PoP-NPS-Corporate shall prepare and upload SCF into CRA system. ii. PoP-NPS-Corporate shall remit the funds to Trustee Bank post successful upload of SCF at CRA portal.	PoP to file the Turnaround Time (TAT) for activities mentioned under second column with the Authority within 3 (three) months from	For each delayed transaction beyond the TAT approved under File-and-Approve mechanism, PoP-NPS-Corporate shall pay:
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		date of issuance of guidelines under 'File and Approve' mechanism. In case of non-filing of TAT within prescribed timeline or till the time the TATs are filed and approved by the Authority, the maximum T+2 days will be applicable, where T is the salary day of the respective month.	Repo rate + 2% of contribution amount for the period of delay or Rs. 20/- whichever is higher. (This amount should be credited to the subscriber's PRAN)
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4. Processing of Service request(s)

a. Scheme Preference change	i. PoP-NPS-Corporate shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii. PoP-NPS-Corporate shall upload and process the service request(s) as per the SOP (Standard Operating Procedure) provided by CRAs at their portal.	Maximum T+7 days, where T is the date of receipt of complete change request	(i) For each delayed transaction including delay due to wrong/incorrect processing, PoPNPS-Corporate shall pay: Repo rate + 2 % of the transacted amount for the period of delay or Rs. 20/- whichever is higher. (This amount should be credited to the subscriber's PRAN). (ii) In case of loss to subscriber is more than the compensation applicable, then PoPNPS-Corporate shall make the loss good.
b. Subscribers' other service request(s) i.e. Change in subscribers' details, shifting of subscriber,	i. PoP-NPS-Corporate shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii. PoP-NPS-Corporate shall upload and process the service request(s) as per the	Maximum T+7 days, where T is the date of receipt of complete change request	For each delayed transaction including delay due to wrong/incorrect processing, PoPNPS-Corporate shall pay:

inter-sector shifting, etc.	SOP (Standard Operating Procedure) provided by CRAs at their portal.		Rs. 10/- per day subject to maximum Rs. 100. (This amount should be credited to the subscriber's PRAN)
5. Grievance Management and Exit processing			
a. Grievances received from NPS subscribers	i. PoP-NPS-Corporate shall resolve the grievances received in CGMS in accordance to relevant Regulations. ii. In case PoP-NPS-Corporate receives the grievance directly from subscribers (modes other than CGMS), it shall ensure to upload the same into CGMS and maintain records of such grievances and resolve the same.	As per the Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof.	As per the Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof.
b. Processing of exit and withdrawal requests	i. PoP-NPS-Corporate shall provide acknowledgement slip / receipt with unique number along with receipt date and stamp/signature. ii. PoP-NPS-Corporate shall collect the exit request along with requisite documents and perform necessary due diligence in accordance with regulations/guidelines/circulars/directions/ instructions issued by the Authority from time to time. iii. PoP-NPS-Corporate shall upload and process the exit and withdrawal requests as per the SOP (Standard Operating Procedure) provided by CRAs at their portal.	Maximum T+7 days, where T is the receipt of such request along with complete set of supporting documents as prescribed therein.	(i) For each delayed transaction including delay due to wrong/incorrect processing, PoPNPS-Corporate shall pay: Repo rate + 2 % of the transacted amount for the period of delay or Rs. 20/- whichever is higher. (ii) In case of loss to subscriber is more than the compensation applicable, then PoPNPS-Corporate shall make the loss good.
c. Handling of Exit/withdrawal forms received offline from subscribers	PoP-NPS-Corporate shall submit the exit/withdrawal request form along with supporting documents received offline from subscribers to CRA for storage purpose. PoP shall maintain a copy of the same in physical/digital mode.	Maximum T+30 days, where T is the date of authorization of exit/withdrawal request in CRA system.	-

Note:

1. Working days must be considered for calculation of TAT.
2. Repo rate as declared by RBI Monetary Policy Committee from time to time.
3. TATs prescribed in column III of schedule I indicate the 'maximum/overall timeframe' stipulated for PoP (including the time taken at all levels i.e. by PoP-SPs/service provider branches/offices and/or PoP-SEs and/or individual BCs or agents and/or RAs) to complete the respective service requirement / activities prescribed in column II. However, PoP shall ensure carrying out the service requirements in shortest possible time.
4. Schedule II is applicable only for corporates/entities directly registered with the Authority under Regulation 3(1)(iii) of PFRDA (PoPs) Regulation 2018 and amendments thereof and not applicable for corporates/entities tagged to PoPs.