

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. 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, 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 & Supervision (Retirement Adviser) Department, PFRDA.

1. Who is Retirement Adviser ?

“Retirement adviser” means any person being an individual, registered partnership firm, body corporate, 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. What is the procedure of obtaining registration as a Retirement Adviser (other than Individuals) from PFRDA?

Application shall be made in Form B as uploaded on PFRDA website along with necessary supporting documents and shall be accompanied by a non-refundable application fee to be paid in the manner specified in Second Schedule.

3. 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 partnership , 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, unless specifically exempted under the said Regulations.

4. 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 .

5. 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 graduate , 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 . 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.

6. 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.

7. 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.

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

The fee structure requirement for getting registered as an investment adviser is as under:

Category of the Applicant	Amount in Rs.		
	Application Fee (Non-Refundable along with application)	Registration* / (non-refundable	Security Deposit
Other than Individuals	5,000/-	10,000/-	1,00,000/-

* 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 a demand draft in favour of 'PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY' payable at New Delhi or as specified by the Authority from time to time.

9. 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.

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

The application for registration as a Retirement Adviser under PFRDA (Retirement Adviser) Regulations, 2016, shall be submitted to the Head Office (HO) of PFRDA with mention of “ Application for retirement adviser “ at the top of the envelop . The address of office of PFRDA is as under;

Pension Fund Regulatory & Development Authority
 Chatrapati Shivaji Bhawan
 B-14/A, Third Floor
 Qutab Institutional Area
 New Delhi – 110016.

11. (i) Whether insurance agent or insurance broker or mutual fund distributor is exempted from obtaining registration under Retirement Adviser Regulations?

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

(i) . No exemption for insurance agent or broker or mutual fund distributor.

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

12. 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 is incidental to their other services hence such entities cannot charge specifically any fee related to RA activities .

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

A Retirement Adviser can charge three types of fees from subscribers to whom he/she has given retirement advice as per regulations and these fees are

- i) On boarding charges – Rs 120 / - , when a subscriber is successfully persuaded to open a NPS account.
- ii) Subsequent transaction charges – minimum Rs 20 per transaction and maximum Rs 100/- per annum .
- iii) Advisory fee.

Details of advisory fee, 13(iii) above, shall be made available through a circular/ operational guidelines.

14. 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 a circular/ operational guidelines for RAs.

15. 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.

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

After getting intimation about issuance of certificate of registration & before commencement of the RA activity , entities have to submit security deposit of Rs. 1,00,000/- . Details of the same shall be made available through a circular/ operational guidelines .

17. 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 a circular/ operational guidelines.

18. 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.

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

As per point -6 above , RAs have to ensure the continuity of the certification throughout the registration period for RA. If same does not fulfil by the RA , his/her user access as the RA's, provided by CRA for functioning of RA related activities, would be deactivated from the date of expiry of NISM certification & RA certification till renewal of the both certificate.

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

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

21. 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.

22. 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 advised through a circular/ operational guidelines

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

General role & responsibilities of RAs have been detailed in chapter-III of the regulations and code of conduct is mentioned in schedule III of the regulations.

24. 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.

25. 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.

26. 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 e-NPS in their individual capacities. RAs cannot open subscribers accounts through e-NPS by entering data /execution of payment etc. on behalf of subscribers.

27. Is it mandatory for subscribers to take subsequent services after taking help for on boarding ?

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

28. 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.

29. 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.