

MCA Replaces Annual Director KYC with Triennial Abridged KYC Under Companies Act, 2013

The Ministry of Corporate Affairs (MCA) has introduced a significant compliance reform by replacing the annual Know Your Customer (KYC) requirement for company directors with a simplified KYC filing once every three years. This change has been notified through **Gazette Notification No. G.S.R. 943(E) dated 31 December 2025** and will come into effect from **31 March 2026**.

Background of the Amendment

The annual KYC requirement under **Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014** was reviewed by the MCA following:

- Examination within the Ministry,
- Recommendations of the **High-Level Committee on Non-Financial Regulatory Reforms (HLC-NFRR)**, and
- Feedback received from various stakeholders.

Based on these inputs, the MCA amended the rules in consultation with concerned Ministries and Departments to reduce repetitive compliance burdens for directors.

Key Features of the New KYC Framework

1. **KYC Once in Three Years**
 - Directors are now required to file KYC only once every **three years**, instead of annually.
2. **Simplified KYC Form**
 - The revised abridged KYC Form can be used for multiple purposes, including:
 - Periodic KYC compliance
 - Updating mobile number
 - Updating email address
 - Updating residential address
 - Re-activation of Director Identification Number (DIN)
3. **Digital Signature Requirement Relaxed**
 - Verification by the director (DIN holder) and certification by a professional using digital signatures will be required **only when the form is filed for updating mobile number, email address, or residential address**.
 - For routine KYC compliance, this additional verification is not mandatory.

Applicability and Transitional Provisions

- **Directors who have already completed KYC:**
All such directors are covered under the new provisions. Their **next KYC filing will be due by 30 June 2028**.
- **Directors who have not filed KYC so far:**
They may continue to file KYC and get their DINs re-activated under the existing provisions **up to 31 March 2026**.

Position Under the Earlier Regime

Prior to this amendment:

- Every DIN holder was required to file **DIR-3 KYC annually**,
- The standard due date was **30 September** of the following financial year for DINs existing as on **31 March**, and
- Failure to file resulted in **DIN deactivation** along with a **late fee of ₹5,000**, payable until compliance.

Objective of the Reform

This amendment aims to provide **significant ease of compliance** for directors across all companies by:

- Eliminating repetitive annual filings,
- Reducing professional certification requirements, and
- Streamlining the KYC process while maintaining updated and reliable director information.

Overall, the move reflects the MCA's continued focus on simplifying non-financial regulatory compliances and improving the ease of doing business in India.

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