

# 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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[support@treelife.in](mailto:support@treelife.in)



+91 99301 56000



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