NCDEX Nidhi
Next-Gen Mutual Fund Platform

NCDEX Nidhi

Investor Onboarding – FAQs (English)

Frequently Asked Questions (FAQs)

Investor Onboarding – NCDEX Nidhi - FAQs

Q1. What is NCDEX Nidhi?
NCDEX Nidhi is a Mutual Fund transaction platform that enables Members, Mutual Fund Distributors (MFDs), Mutual Fund Intermediaries (MFIs), and Registered Investment Advisors (RIAs) to seamlessly onboard investors and transact in mutual funds through a single integrated ecosystem. The platform supports end-to-end mutual fund transaction journeys including investor onboarding, lumpsum investments, SIPs, redemptions, mandate management, reconciliation, refunds, and transaction notifications.

Q2. How is this new NCDEX Nidhi platform unique?
NCDEX Nidhi is designed with a structured verification, consent, reconciliation, and settlement framework and has the following 5 USPs :

1. **Accurate NAV Timestamping :** Timestamping for NAV ensures precise transaction timing and full compliance with regulatory standards.
2. **Transaction Failure Transparency :** Complete visibility into transaction failures helps users and investors identify and resolve issues efficiently.
3. **Universal UPI Autopay Access :** Granted to all members without restrictions, unlike competitors who limit it to select users.
4. **Flexible Transaction Support :** Allowing External Folio investment through NCDEX Nidhi platform.
5. **Flexible SIP Execution :** Calendar-day SIP feature allows investors to select any day, including weekends, for SIP order executions.

Q3. What is investor onboarding on NCDEX Nidhi?
Investor onboarding is the process through which a new investor profile is created and verified on the NCDEX Nidhi platform by an MFD before mutual fund transactions can be initiated. The onboarding journey begins when the distributor captures the investor's details and ends when the investor successfully creates the MF Investment Account.

Q4. Why is investor onboarding required before investing?
Investor onboarding is required to collect all the required details to transact and verify the investor's identity, KYC readiness, PAN details, and bank account details before any transaction can be processed. The investor becomes eligible to transact on the platform only after all mandatory onboarding validations are completed successfully.

Q5. What category of investors can be onboarded by the MFDs?
The current onboarding workflow supports resident individual investors. A resident individual investor is a person residing in India, meets the residency criteria defined under Income Tax Act, and invests in financial products (mutual funds, shares, bonds, stocks, etc). If additional investor categories are enabled in the future, the onboarding process will apply relevant validations and checks applicable to those investor types. Also, currently we are providing services for Physical Folios. In future, services for Demat accounts would also be enabled.

Q6. What validations are performed during investor onboarding?
The onboarding process includes KYC readiness validation, PAN verification, and bank account verification. These checks help ensure that the investor details captured on the platform are valid, verified, and transaction-ready.

Q7. What does the KYC readiness check verify?
The KYC readiness check confirms whether the investor's KYC status is KRA-validated as on the date of the onboarding request. This validation helps ensure that the investor satisfies the required KYC readiness conditions before investing.

Q8. What information is captured during investor onboarding?
The onboarding process captures information such as PAN details, tax status, contact information, personal details, professional details, address details, bank account details, and nominee information. These details are collected through the onboarding journey before the investor account is created.

Q9. What does PAN verification check during onboarding?
PAN verification confirms that the investor's PAN is valid and active. The process also checks whether the investor's name and date of birth match the ITD PAN records.

Q10. What does bank account verification confirm?
Bank account verification confirms that the bank account entered during onboarding belongs to the investor and whether it is valid and in active state. This validation is carried out when the investor's bank account details are captured in the onboarding journey.

Q11. Does NCDEX Nidhi perform every verification from the beginning each time?
No. NCDEX Nidhi first checks whether a latest successful verification result is already available for the investor. A fresh request is sent to the relevant third-party verification partner only if a valid successful result is not available.

Q12. What happens after all investor information is entered?
Once all required information is captured successfully, the system automatically generates a unique customer ID for the investor. The distributor also has an option to edit the generated customer ID if required.

Q13. What does the distributor do after the customer ID is generated?
After reviewing all captured investor information, the distributor sends the onboarding link to the investor through SMS and email. This allows the investor to continue and complete the onboarding journey independently.

Q14. How does the investor continue the onboarding journey?
The investor opens the onboarding link received through SMS or email and proceeds with verifications of the registered mobile number and email address using OTP authentication. After successful verifications, the investor can review the onboarding details captured by the distributor.

Q15. Can the investor review and edit the details entered during onboarding?
Yes. The investor can review the onboarding details and make edits wherever required before completing the account creation process. This helps ensure that the final onboarding information is accurate and verified by the investor directly.

Q16. What happens if the investor changes PAN details during onboarding?
If the investor edits or changes PAN details during onboarding, the PAN verification process is carried out again against the updated information. This ensures that the modified details are validated before onboarding is completed.

Q17. What happens if the investor changes bank account details during onboarding?
If the investor edits or changes bank account details during onboarding, the bank account verification process is carried out again against the updated information. This ensures that the revised bank details belong to the investor and are valid for transaction processing.

Q18. How is investor onboarding completed successfully?
Investor onboarding is completed when the investor reviews the details and clicks the 'Create MF Investment Account' option on the platform. After successful account creation, the investor becomes ready for mutual fund transactions on NCDEX Nidhi.

Q19. What is the role of the distributor during investor onboarding?
The distributor initiates the onboarding journey, captures investor information, reviews the details, and then the platform sends the onboarding link to the investor. The investor then completes the final review, verification, and account creation steps.

Q20. Why are SMS and email communications used during onboarding?
SMS and email communications are used to share the onboarding link, support OTP-based verification, etc. These communication channels help connect the distributor-led onboarding flow with investor confirmation and authentication.

Q21. What is the final outcome of investor onboarding?
The final outcome of the onboarding process is that the investor becomes transaction-ready on the NCDEX Nidhi platform. After successful onboarding and MF Investment Account creation, the investor can proceed with mutual fund transaction journeys through the MFD on the NCDEX Nidhi platform.

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