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EMPLOYEES' PROVIDENT FUND ORGANISATION
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No: FIA/11(22)/SOP/FreezingUAN/2022 (E-49005) / 11

Date: 22/12/2023

To


All ACC(HQ)/ACC (Zones)
All RPF-1/RPF-2/APFC In-charge of Field Offices

Sub: Standard Operating Procedure (SOP) for freezing/de-freezing the MID/UAN/Establishment – reg.

Madam/Sir,

Please find attached herewith the Standard Operating Procedure (SOP) for freezing/de-freezing of a MID/UAN/Establishment duly approved by the CPFC for necessary action.

Encl: As above.

 22/12/2023

(Raman Dhanasekar)
RPF-1/FIA

Copy to:

- i. OSD to CPFC, FA & CAO, CVO, Director PDUNASS for kind information please.
- ii. All ACC (HQ)s Head Office, All ACCs Head Office, All RPFs Head Office.
- iii. IS Division for development of functionality and further necessary action please.
- iv. CS Division for incorporating the necessary modifications.

SOP No: FIA/2023/1

SOP Title: Freezing/de-freezing of MID/UAN/Establishment

	NAME	TITLE	SIGNATURE	DATE
Author	FIA Division			
Reviewer	Committee of Officers			
Authoriser	CPFC			

Effective Date:	Date of Issue
Review Date:	After 01 year

READ BY			
NAME	TITLE	SIGNATURE	DATE

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1. PURPOSE

This SOP provides for a time-bound methodology for freezing MIDs/UANs/Establishments on account of verification requirement, as a measure of due diligence to secure the funds in these MIDs/UANs/Establishments and the subsequent de-freezing, wherever required, on completion of verification of genuineness.

2. INTRODUCTION

- EPFO being a premier Social Security Organisation of the country is committed to provide expeditious Social Security benefits to its members under the aegis of its three schemes viz. the EPF, EPS & EDLI.
- Social security benefits are also being provided under various Government Schemes like the Aatmanirbhar Bharat Rojgar Yojana (ABRY) to eligible members of the EPF & EPS schemes.
- A precautionary verification mechanism is prerequisite to mitigate risks involved because of possible frauds, impersonation and forgery. The first and the foremost action would thus be to protect the capital or its flight from an account. Thus, it is imperative to freeze some or all of the operations in respect of MIDs/UANs/Establishments, where there is a chance of fraudulent withdrawal or an attempt to fraud or having committed the fraud.
- Freezing is carried out to protect the members' funds and also to ensure proper verification as well as investigation of any fraudulent attempts or acts, till such time the facts are ascertained and genuineness established.
- Once the verification process is over, the funds are protected and made available in the rightful account, the competent authority would need to allow transactions as well as inform the concerned.
- Accordingly, to lay out a procedure for freezing and de-freezing of such MIDs/UANs/Establishments, the present SOP is prescribed.

3. SCOPE

- i. To specify the mechanism for **identifying potential cases** of suspicious accounts/transactions wherein there is a possibility for impersonating or fraudulent withdrawals.
- ii. To specify necessary steps **to protect the funds** lying within such accounts or transactions made therefrom so that there is no flight of capital and members' funds are secured.
- iii. To **inquire into the genuineness** or otherwise of such accounts or transactions within a given time frame.

- In case there is an irregularity or fraud, **to take corrective actions** to address such cases.
- In case there is an irregular or fraudulent withdrawal, to **recover the funds** as per the laid down procedures.
- iv. To bring closure to the incident by: -
 - **Protecting funds** and make them available in the **rightful account**, allow transactions as well as inform the concerned.
 - **Address the systemic issues** for safeguarding any future recurrences in a given timeframe.

4. DEFINITIONS

- 4.1 "Act"** means the Employees' Provident Funds Miscellaneous Provisions Act, 1952.
- 4.2 "Scheme"** means any scheme framed under the Act.
- 4.3 "Member ID (MID)"** is a unique identity that links member profile to the individual member's EPF account during an employment.
- 4.4 "Universal Account Number (UAN)"** is a permanent 12-digit unique number allotted to a member and does not change with the change of employment but remains valid throughout the life of a member.
- 4.5 "Establishment"** is any business or organization or the place where an organisation operates including both factory and industry as stated in Section 1 (3) of the Act and may include different departments or branches whether situated in the same place or in different places.
- 4.6 "Categories"** denote the classification of individual or group of MID/UANs/Establishments that require due verification so as to secure the accumulations of the genuine members: -
- **Category A:** MID/UANs/Establishments that are identified and communicated by Head Office from time to time.
 - **Category B:** MID/UANs/Establishments where there is an attempt or any fraudulent withdrawal either in the form of transfer or settlement to anybody other than the genuine member including the change of member profile and KYC details.
 - **Category C:** MID/UANs where there are deposits through Appendix-E, VDR Special, Special 10D, VDR Transfer-in etc., without the approval of the Competent Authority and/or without the adherence to the instructions issued in this regard.

4.7 “Freezing” refers to disablement of the following operations for categories defined in **Para 4.6:** -

Sl. No.	Operations to be temporarily disabled
1	Login into the Unified Portal (Member/Employer)
2	Generation of a new UAN or linking of MID to a pre-existing UAN
3	Any addition or change in member profile & KYC/Employer DSC.
4	Any deposits through Appendix-E, VDR Special, VDR Transfer-in etc., in a MID
5	Any settlements of claims/transfer of funds or withdrawals
6	Registration of New establishment based on the same PAN/GSTN etc. including the usage of Aadhar/PAN/DSC of Employer/Authorised signatory

4.8 “De-freezing” refers to restoring the frozen operations and found genuine after verification in a given time frame and duly authorised by authority as mentioned in **Para 4.9** of this SOP.

4.9 “Authorised Officer” is the competent authority to take any or all actions required including the freezing & de-freezing of MID/UAN/Establishment.

i. The Authorised Officers to order the freezing of the specified operations as indicated in **Para 4.7** of this SOP are as below: -

Category	District Office/ Regional Office	Zonal Office	Head Office
A	NO	NO	Finance & Accounts (RPFC of Vertical 9-FIA) <i>(For MID/UAN/Establishment)</i>
B	APFC/RPFC-II* <i>(For MID/UAN)</i>	RPFC-I <i>(For MID/UAN/Establishment)</i>	Finance & Accounts (RPFC of Vertical 9-FIA) <i>(For MID/UAN/Establishment)</i>
	OIC <i>(For Establishment)</i>		
C	APFC/RPFC-II* <i>(For MID/UAN)</i>	RPFC-I <i>(For MID/UAN)</i>	Finance & Accounts (RPFC of Vertical 9-FIA) <i>(For MID/UAN)</i>

**APFC & RPFC-II herein are those officers who are entrusted with accounts work of the establishment to which these MIDs belong.*

ii. The Authorised Officers to order the de-freezing as defined in **Para 4.8** of this SOP are as below -

Category	District Office/ Regional Office	Zonal Office	Head Office
A	NO	NO	ACC of Finance & Accounts Division

			(For MID/UAN/Establishment)
B	OIC (For MID/UAN/Establishment)	ACC of ZO (For MID/UAN/Establishment)	ACC of Finance & Accounts Division (For MID/UAN/Establishment)
C	OIC (For MID/UAN)	ACC of ZO (For MID/UAN)	ACC of Finance & Accounts Division (For MID/UAN)

5. SPECIFIC PROCEDURE

5.1 Identification of the cases for freezing

- i. Whenever a suspicious activity or transaction in MID/UAN/Establishment is reported/detected and which can be classified either in **Category B** or **C** vide **Para 4.6** of this SOP, then the same must be immediately brought to the notice of the OIC by the concerned official/officials with supporting documents and justifications in e-file.
- ii. Similarly, the ACC of the Zone on receipt of credible information on suspicious transactions/MIDs/UANs/Establishments will send written directions to OIC to take necessary actions, in addition to executing the freeze through the Authorised Officer in the Zonal Office.
- iii. On receipt of such information the OIC after assessing quickly should immediately get this MID/UAN/Establishment frozen through the Authorized Officer.
- iv. OIC will also place this information to the notice of the RFRMC within **3 days**. The RFRMC will prima-facie examine the necessity of the above said freezing and confirm it.
- v. In cases where there is a clear modus operandi or pattern emerges, the same should be immediately brought by the OIC to the notice of the Zonal ACC and ACC Finance & Accounts, Head Office.
- vi. The cases covered in **Category A** shall be communicated by the RPFC (Vertical 9-FIA) of the Finance & Accounts Division directly to the IS Division to execute the freeze in the Application Software and also place it before the Fraud Risk Mitigation Committee for perusal.

5.2 Executing the freezing

- i. The execution of freezing in the application software will be undertaken by the Nodal Officer of **Vertical – 6** of IS Division at NDC.
- ii. The Authorized Officer (as per **Para 4.9**) will intimate the Nodal Officer of ISD for freezing MIDs/UANs/Establishments through an Issue Tracker under the categories **A, B & C**. The nodal officer shall execute the freeze on the **same day** of receipt of communication.

- iii. The request for freezing in the Issue Tracker will be on a Request Template finalized by the ACC IS Division in consultation with the ACC-Finance & Accounts Division of the Head Office.
- iv. IS Division will ensure that Issue Tracker has a provision for the trail of freezing, de-freezing as well as information sharing on MIS 3.0 on account of such interventions.
- v. In cases where the UAN linked with the above frozen MID contains some other MIDs, the OIC should intimate all the other respective OICs where such other MIDs fall through an email, for subsequent action with a copy to the concerned ACC(s) of the Zone(s).

5.3 Intimation of the freezing to the stakeholders

- i. Whenever a particular MID/UAN/Establishment is frozen, the information of freezing is required to be shared with the concerned member, employer as the case may be.
- ii. Information to the **Member** will be provided through two modes. An SMS will be sent to the member as mentioned in **Para 5.7** of this SOP. Also a message on the Unified Portal should be popped up when the Member accesses the login. IS Division will make provisions for both the interventions. However, OIC will check that such information has been shared with the member.
- iii. Information to the **Employer** will be provided through two modes. An email will be sent to the employer as mentioned in **Para 5.7** of this SOP. Also a message in the Employer Login of the Unified Portal should be popped up when the Employer accesses the login. IS Division will make provisions for both the interventions. However, OIC will check that such information has been shared with the employer.
- iv. For ZO and HO, the information will also be provided through two modes. One through email by the concerned OIC of the Regional Office with a standardized subject "**Freezing of MID/UAN/Establishment**". And, the second mode will be a drill down report in MIS 3.0, to be installed by the IS Division on the request of the ACC Finance & Division.

5.4 Duration of the freezing

- i. Normally, the duration of the freeze **should not exceed 30 days** from the date of freezing, except in the cases where there is a confirmation of the fraud.
- ii. On receipt of the information of the freezing, if the member or employer files a grievance in the EPFIGMS Portal, then in that case the duration shall be as below: -

Category	MID	UAN	Establishment
A	15 days within receipt of request in the form of an EPFIGMS grievance	15 days within receipt of request in the form of an EPFIGMS grievance	30 days within receipt of request in the form of an

	from the member or survivors of the deceased member	from the member or survivors of the deceased member	EPFIGMS grievance from the employer
B	15 days within receipt of request in the form of an EPFIGMS grievance from the member or survivors of the deceased member	15 days within receipt of request in the form of an EPFIGMS grievance from the member or survivors of the deceased member	30 days within receipt of request in the form of an EPFIGMS grievance from the employer
C	15 days within receipt of request in the form of an EPFIGMS grievance from the member or survivors of the deceased member	15 days within receipt of request in the form of an EPFIGMS grievance from the member or survivors of the deceased member	30 days within receipt of request in the form of an EPFIGMS grievance from the employer

*All above grievances shall be accorded the **highest priority** by the OIC of RO, who is expected to monitor resolution of this category on a daily basis.*

- iii. **Extension of the freeze duration:-**In case the verification of disabled MID/UAN/Establishment is not completed within the above prescribed time frame, an extension can be considered in the following manner: -
 - a. An extension of not more than **14 days** by the RFRMC after duly discussing & recording the circumstances that justify such an extension in a RFRMC Meeting.
 - b. If there is a requirement of more time, the RFRMC shall recommend to that effect to the ZFRMC which after duly discussing & recording the circumstances that justify a second extension in the ZFRMC Meeting and order for such extension of not more than **14 days**.
 - c. Any further extensions will be only after the approval of FA & CAO.

5.5 Establishing genuineness or verifying the frozen account *suo-moto* or on request

- i. The timelines for all frozen cases will be as per **Para 5.4** of this SOP.
- ii. Once the freezing is confirmed, the OIC will trigger the process of verification as mentioned in **sub-paras (v to viii)** for MID/UAN and **sub-paras (ix to xii)** for Establishment. Towards this, the OIC will also monitor that the DA (Accounts) or DA (Compliance) as the case may be, triggers the file for verification **the timelines as given in Para 8 of this SOP**.
- iii. The DA (Accounts) or DA (Compliance) as the case may be, of the DO/RO is required to open a separate e-Office file for recording the freezing as well as the de-freezing the MID/UAN/Establishment.
- iv. The standard nomenclature of the above said e-office file shall be "De/freezing/ [MID(22 characters) or UAN(12 characters) or

Establishment(12 characters)]/[RO or DO]/(Year of opening)". The following are some examples: -

- *De/freezing/MHBAN17164950000010096/RO-Bandra/2023*
- *De/freezing/101234104195/RO-Bandra/2023*
- *De/freezing/MH/BAN/2568426/RO-Bandra/2023*

v. Verification process of MID/UAN at the level of DA(Accounts)

The following activities need to be undertaken by DA (Accounts), who: -

- a. Will check all digital records including member ledger, take relevant uploads and place in the file.
- b. Online status of confirmation of Bank A/c verification with member name in UAN (on making such facility available in the application system by the ISD) may also be recorded in the e-file.
- c. Will check all physical records including member ledger card, Form-9, Form-24 etc., scan copy and place in the e-file.
- d. Will send an email to the employer through the official email id of the office to seek additional data (Each such email should have sender's name, designation & phone number). This email will also be copied to the OIC's official email id.
- e. Will collaborate all information and put his assessment on the records.

On completion of the above, the DA (Accounts) will send this file to next authority i.e. (SS/AO) (Accounts) within **the timelines as given in Para 8 of this SOP.**

vi. Verification process of MID/UAN at the level of (SS/AO) (Accounts)

The following activities need to be undertaken by (SS/AO) (Accounts), who in turn will check this validation as well as seek any other necessary information such as: -

- a. Verify the member profile through alternate authenticated records, many of these are provided in SOP of Joint Declaration.
- b. Seek any additional records from compliance.
- c. See if any other additional information about the establishment and such past cases are available.
- d. Will collaborate all information and put assessment on the records.

On completion of the above, the (SS/AO) (Accounts) will send this file to next authority i.e. (APFC/RPFC-II) within **the timelines as given in Para 8 of this SOP.**

vii. Verification process of MID/UAN at the level of (APFC/RPFC-II)

The following activities need to be undertaken by (APFC/RPFC-II) who in turn will: -

- a. Check/validate information submitted by both DA (Accounts) and SS/AO (Accounts).
- b. Seek any additional records from any other Section like Compliance, Damages, Exemption, etc.
- c. Establish the identity of the genuine claimant through biometrics (through the Finger Print Scanner or the Iris Scanner) or other digital means, if deemed necessary,
 - Through the physical visit of the claimant to
 - District Office/Regional Office
 - NAN 2.0 camps
 - Through the physical visit of an office representative to the location of the claimant in case of hardships, owing to immobility of the claimant.
 - Through virtual meetings
- d. Will collaborate all the above information and put assessment on the records.

On completion of the above, the (APFC/RPFC-II) will send this file to next authority i.e. OIC within **the timelines as given in Para 8 of this SOP.**

viii. Verification process of MID/UAN at the level of OIC

The following activities need to be undertaken by OIC who in turn will: -

- a. Check/validate information submitted by all the above.
- b. Seek any additional records from any other Authority.
- c. Critically analyse all such evidences on record as well as collected to decide the case for de-freezing or otherwise.
- d. Recommend the case for de-freezing or otherwise with specific justifications.
- e. Place the decision before the RFRMC/ZFRMC/FIA depending upon the level of Authorized Officer, who had ordered the freeze to conclude decisions on de-freezing of the account and its operations.
- f. In case, not found genuine, or extension of time is required, do so with the recommendation of the RFRMC/ZFRMC/FIA, as the case may be.
- g. Issue the order for de-freezing on confirmation from RFRMC and within **the timeline as given in Para 8 of this SOP.**

- h. Propose the de-freezing to the concerned Authorised Officer, wherever the Authorised Officer to de-freeze as per **Para 4.9** of this SOP is higher than OIC, along with the details of the verification carried out and the recommendation of the RFRMC.

Wherever, RFRMC will decide for either extension or de-freezing, the same will be recommended by OIC to the following: -

- 1) For MID/UAN frozen by DO/RO, the communication for de-freezing or extension shall be sent through Issue Tracker to IS Division under intimation to the ACC-ZO.
- 2) For MID/UAN frozen on the authority of ZO, the communication for de-freezing or extension to ACC Zone for taking further action.
- 3) For MID/UAN frozen by HO, the communication for de-freezing or extension shall be sent through ACC ZO to Head Office.

All de-freezing decisions in the above cases, will be communicated to the IS Division through Issue Tracker Request Template by the concerned Authorized Officer as per **Para 4.9** of this SOP.

The minutes of the RFRMC and all such decisions will be recorded in the e-file.

ix. Verification process of Establishment at the level of DA(Compliance)

The following activities need to be undertaken by DA (Compliance), who: -

- a. Will conduct a Desk Review as per the SOP of Inspection of Establishments duly also ensuring to
 - check all digital records available in respect of the establishment including the details in Form 5A, Digital Signature Certificate (DSC), particulars of Authorised Signatory, active and in-active UANs, ECR etc. along with the documents like Shops & Establishment Registration, Partnership Deed, Articles & Memorandum of Association, Factory License etc. which were uploaded by the establishment while applying for the code number, take relevant uploads and place in the e-file.
 - check all physical records including Form-9, Returns, Compliance File, etc. available with various other sections, scan copy and place in the file.
- b. Will send an email to the employer/establishment through the official email id of the office to seek any additional data (Each such email should have sender's name, designation & phone number). This email will also be copied to the OIC's official email id.
- c. Will collaborate all information and put his assessment on the records.

On completion of the above, the DA (Compliance) will send this file to next authority i.e. SS (Compliance) within **the timelines as given in Para 8 of this SOP.**

x. Verification process of Establishment at the level of SS (Compliance)

The following activities need to be undertaken by SS (Compliance), who in turn will check this validation as well as seek any other necessary information such as: -

- a. Verify the establishment profile through alternate authenticated records.
- b. Seek any additional records from other sections like Exemption etc.
- c. See if any other additional information about the establishment and such past cases are available.
- d. Will collaborate all information and put assessment on the records.

On completion of the above, the SS (Compliance) will send this file to next authority (Circle Officer) i.e. (APFC/RPFC-II) within **the timelines as given in Para 8 of this SOP.**

xi. Verification process of Establishment at the level of (APFC/RPFC-II)

The following activities need to be undertaken by (APFC/RPFC-II) who in turn will: -

- a. Check/validate information submitted by both DA (Compliance) and SS (Compliance).
- b. Seek any additional records from any other authorities like ESIC, Registrar of Companies, Income Tax, GST, State Labour Department etc.
- c. Establish the genuineness of the establishment through internet or other digital means, and if deemed necessary,
 - Through the physical visit of the Employer to
 - District Office/Regional Office
 - NAN 2.0 camps
 - Through the physical visit of the EO to the location of the establishment to investigate its physical availability.
 - Through virtual meetings
- d. Will collaborate all the above information and put assessment on the records.

On completion of the above, the (APFC/RPFC-II) will send this file to next authority i.e. OIC within **the timelines as given in Para 8 of this SOP.**

xii. Verification process of Establishment at the level of OIC

The following activities need to be undertaken by OIC who in turn will: -

- a. Check/validate information submitted by all the above.
- b. Seek any additional records from any other Authority.
- c. Critically analyse all such evidences on record as well as collected to decide the case for de-freezing or otherwise.
- d. Recommend the case for de-freezing or otherwise with specific justifications.
- e. Place the decision before the RFRMC/ZFRMC/FIA depending upon the level of Authorized Officer, who had ordered the freeze to conclude decisions on de-freezing of the account and its operations.
- f. In case, not found genuine, or extension of time is required, do so with the recommendation of the RFRMC/ZFRMC/FIA, as the case may be.
- g. Issue the order for de-freezing on confirmation from RFRMC and within **the timeline as given in Para 8 of this SOP**
- h. Propose the de-freezing to the concerned Authorised Officer, wherever the Authorised Officer to de-freeze as per **Para 4.9** of this SOP is higher than OIC, along with the details of the verification carried out and the recommendation of the RFRMC.

Wherever, RFRMC will decide for either extension or de-freezing, the same will be recommended by OIC to the following: -

- 1) For Establishment frozen by DO/RO, the communication for de-freezing or extension shall be sent through Issue Tracker to IS Division under intimation to the ACC-ZO.
- 2) For Establishment frozen on the authority of ZO, the communication for de-freezing or extension to ACC Zone for taking further action.
- 3) For Establishment frozen by HO, the communication for de-freezing or extension shall be sent through ACC ZO to Head Office.

All de-freezing decisions in the above cases, will be communicated to the IS Division through Issue Tracker Request Template by the concerned Authorized Officer as per **Para 4.9** of this SOP.

The minutes of the RFRMC and all such decisions will necessarily be recorded in the e-file.

- xiii. Once the de-freezing request as per the Request Template is received from the Authorized Officer, the IS Division will ensure that it is executed within **3 days** and concerning MID/UAN/Establishment is de-frozen.

- xiv. Thereafter, when the claims in respect of the above de-frozen cases, will be entertained in the application software, an additional flag will be shown. Thus, every such claim will go through an additional layer of scrutiny in the application software itself. Till such time, the process is instituted in the application software, the additional layer of scrutiny can happen outside the system by taking the due approval of the concerned higher authority in the e-office file, as a temporary arrangement.
- xv. In a normal course, EPFO exercises two level requests approvals for claim settlements that are less than Rs. 5 lacs. An additional layer is created for claims that are between Rs. 5 lacs to Rs. 25 lacs. Another additional layer is added for claims that are more than Rs. 25 lacs.
- xvi. Drawing from the above, the verification will go an additional level of scrutiny.

Claim	Normal Delegation for Claim Settlement	Specific Delegation for De-freezing & Claim Settlement
Upto Rs. 50,000	From SSA to SS	From SSA to SS to AO
Rs. 50,000 to Rs. 5 lacs	From SSA to AO	From SSA to AO to APFC/RPFC-II
Rs. 5 lacs to Rs. 25 lacs	From SSA to SS to APFC/RPFC-II	From SSA to AO to APFC/RPFC-II to OIC
Above Rs. 25 lacs	From SSA to AO to OIC	From SSA to AO to APFC/RPFC-II to OIC. (Information will also be shared with the ZO. Concurrent Audit will look at all such categories whether processes are followed or not.)

- xvii. The progress as well as the quality of the above said process of verification/establishing the genuineness shall be monitored on a monthly basis by the RFRMC and ZFRMC duly recording in the minutes of the meeting.

5.6 Follow-up actions after verification

- i. The cases which had been found to be fraudulent after the above verification, had to be referred to the concerned authorities for registering the criminal cases against the perpetrators as well as to fix accountability on the officials of the field offices, if there is a lapse seen from their side.
- ii. The fraudulently withdrawn money has to be quantified and the recovery of the same along with the due interest component, wherever applicable, has to be

made by the concerned ROs, so as to re-credit the account of the genuine member from whose account the funds got fraudulently withdrawn so as to bring closure to the incident.

- iii. All the systemic issues for safeguarding from the occurrences of all such frauds/attempts to fraud/suspicious activities had to be proposed by the ACC of the Zone to the Head Office as soon as possible but not exceeding 15 days, for putting-in safety measures in the application software and/or the processes to avoid recurrence of such incidents.

5.7 Provision of Standardised Message

There would be a provision for a standardized message to be sent in all the categories of cases referred in **Para 4.6** to intimate about the freezing/de-freezing to the members/employers as below: -

Case	In the event of Freezing	In the event of De-Freezing
MID	Your MID [22 characters] is frozen. Please file a request for de-freezing in the EPFIGMS Portal under the category "MID/UAN/Establishment is disabled".	On completion of verification, your MID [22 characters] is de-frozen with immediate effect. Inconvenience caused is regretted.
UAN	Your UAN [12 characters] is frozen. Please file a request for de-freezing in the EPFIGMS Portal under the category "MID/UAN/Establishment is disabled".	On completion of verification, your UAN [12 characters] is de-frozen with immediate effect. Inconvenience caused is regretted.
Establishment	Your Establishment [12 characters] is frozen. Please file a request for de-freezing in the EPFIGMS Portal under the category "MID/UAN/Establishment is disabled".	On completion of verification, your Establishment [12 characters] is de-frozen with immediate effect. Inconvenience caused is regretted.

6. ROLES AND RESPONSIBILITIES

- i. The **Finance &Accounts Vertical** (Under Finance & Accounts Division, Head Office) shall be responsible for: -
 - a. smooth execution of all functions of freezing/de-freezing as prescribed in this SOP
 - b. closely monitor the progress of freezing and de-freezing as stipulate in this SOP.

RPFC/FIA Vertical will be Nodal Officer from Head Office to closely monitor the process of freezing/de-freezing and bring to the notice of CPFC any delay in the process at any level.

- ii. The **IS Division** shall be responsible for: -
- a. incorporating all the functionalities as per this SOP in the existing application software itself, within a period of **90 days** from the issue of this SOP including a detailed dashboard for monitoring purpose.
 - b. ensuring that the prescribed messages (as per **Para 5.7**) are sent to the registered mobile number of the respective members on freezing & subsequent de-freezing of the MIDs/UANs as well as to the mobile numbers of the respective employers in the case of freezing/de-freezing of establishments.

RPFC/IS will be the Nodal officer from NDC to ensure that the existing application software smoothly carries out the said freezing/de-freezing.

- iii. The concerned **Authorised Officers** (as per **Para 4.9**) shall be responsible for identifying the individual cases falling under the categories A, B & C (as per in **Para 4.6**) and executing the operations of freezing / de-freezing within the given time frame/duration duly carrying out the required and relevant verifications as per this SOP.
- iv. The **CS Division** shall be responsible to incorporate a separate category of grievance "**MID/UAN/Establishment is disabled**" in the EPFIGMS portal through ISD and also provide a login facility to FIA to monitor the grievances filed in the above category.
- v. The **OIC** is responsible to critically assess the prima-facie evidence available before him to immediately ensure that the freeze is executed in respect of all the MID/UAN/Establishment wherever fraud is detected or suspected so as to avoid the flight of money duly getting the confirmation from the RFRMC.
- vi. The **OIC** is also responsible to trigger and complete the qualitative verification as prescribed in this SOP so that the genuine cases are getting de-frozen within the specified and allowed time with due confirmation of the RFRMC again.
- vii. The **ACC of the Zone** is responsible to ensure that the process as well as the time limits as specified in this SOP is adhered by all concerned in the field offices under their jurisdiction.
- viii. The **ACC of the Zone** is also responsible to critically examine the decisions of the RFRMC in the ZFRMC so that the quality as expected in the process of verification is ensured.

7. MONITORING MECHANISM

In order to keep track of all the activities performed during the process of Freezing & De-Freezing a UAN/MID/Establishment, a comprehensive Dashboard need to be made available for real-time monitoring of the activities carried out through this SOP. Till such time the monitoring need to be carried out by the OICs, ACCs of the Zones as well as the Finance Division of the Head Office in all the above areas.

- i. IS Division shall provide specific reports and alerts so that the process and the time limits as specified in this SOP are monitored by the Head Office, Zonal Office as well as the Field Offices.
- ii. Finance Division shall monitor the smooth working of all operations as contained in this SOP.
- iii. Zonal Office shall monitor the quality of the verification conducted by the field offices including the time limits specified in this SOP.
- iv. OIC shall monitor the process of verification as well as the time limits specified in this SOP.

8. TIMELINE MATRIX

The timeline is indicated with a "T" which is the Date of Trigger. In cases of suo-moto initiation of verification by the OIC, the T should be **within 7 days** from date of freeze while in case of receipt of grievance, the T will be the either the same day of receipt of grievance or latest by the next day.

For Establishment

Timeline (in days)	Activity
Within T+4	DA (Compliance) opens the E-file for verification
Within T+8 (Next 04 Days)	DA (Compliance) completes the verification and submits the file to SS (Compliance).
Within T+13 (Next 05 Days)	SS (Compliance) completes the verification and submits the file to APFC/RPFC-II.
Within T+20 (Next 07 Days)	APFC/RPFC-II completes the verification and submits the file to OIC.
Within T+27 (Next 07 Days)	OIC validates the verification and recommends for de-freezing after confirmation of RFRMC/ZFRMC/FIA, if found genuine.
Within T+30 (Next 03 Days)	ISD execute the de-freezing on receipt of orders from the OIC.

For MID/UAN

Timeline (in days)	Activity
Within T+2	DA (Accounts) opens the E-file for verification
Within T+4 (Next 02 Days)	DA (Accounts) completes the verification and submits the file to SS/AO (Accounts).
Within T+6 (Next 02 Days)	SS/AO (Accounts) completes the verification and submits the file to APFC/RPFC-II.
Within T+9 (Next 03 Days)	APFC/RPFC-II completes the verification and submits the file to OIC.
Within T+12 (Next 03 Days)	OIC validates the verification and recommends for de-freezing after confirmation of RFRMC/ZFRMC/FIA, if found genuine.
Within T+15 (Next 03 Days)	ISD execute the de-freezing on receipt of orders from the OIC.

9. FORMS AND TEMPLATES TO BE USED**9.1 Request Template for Issue Tracker**

The Authorized Officer shall raise the freezing/de-freezing request with respect to MID/UAN/Establishment in the Issue Tracker under a separate category namely "**freezing/de-freezing request**" which is added in the Issue Tracker Module by the ISD.

Regional office will need to enter the list of MIDs/UANs/Establishments in the description section with the request to unblock the MIDs/UANs/Establishments (or upload the list in Excel format) under the category "freezing/de-freezing request" duly also mandatorily uploading the copy of the Order for Freeze or De-freeze as approved by the Authorized Officer. A screenshot of above request template is enclosed as "**Annexure-I**".

10. INTERNAL AND EXTERNAL REFERENCES**10.1 Internal References**

- HO Circular No. WSU/17(4)2015/F/Part/568 dt: 06.04.2018.
- HO Circular No. WSU/FIA/42(1)2017/ZFRMC/WZ/17707 dt: 26.02.2019
- HO Circular No. FIA/4(14)2018/ZFRMC/UP/Part/19671 dt: 27.03.2019.
- HO Circular No. FIA/11(2)Zerobalance/non-AadharUAN/2021/(e-38763)/964 dt: 18.08.2021.

- Standard Operating Procedure (SOP) for Inspection of Establishments issued vide HO Circular No. CAIU/SOP/2022/(E-47416)/2818 dt: 31.07.2023. (Available on EPFO Website)
- Standard Operating Procedure (SOP) for processing Joint Declarations issued vide HO Circular No. WSU/2022/Rationalisation of work areas/Joint Declaration (E-54018)/3638 dt: 22.08.2023. (Available on EPFO Website)

10.2 External References

- RBI Circular No. RBI/2015-16/75 dt: 01.07.2015.
- RBI Circular No. RBI/DBS/2016-17/28 dt: 01.07.2016 (updated as on 03.07.2017)

11. CHANGE HISTORY

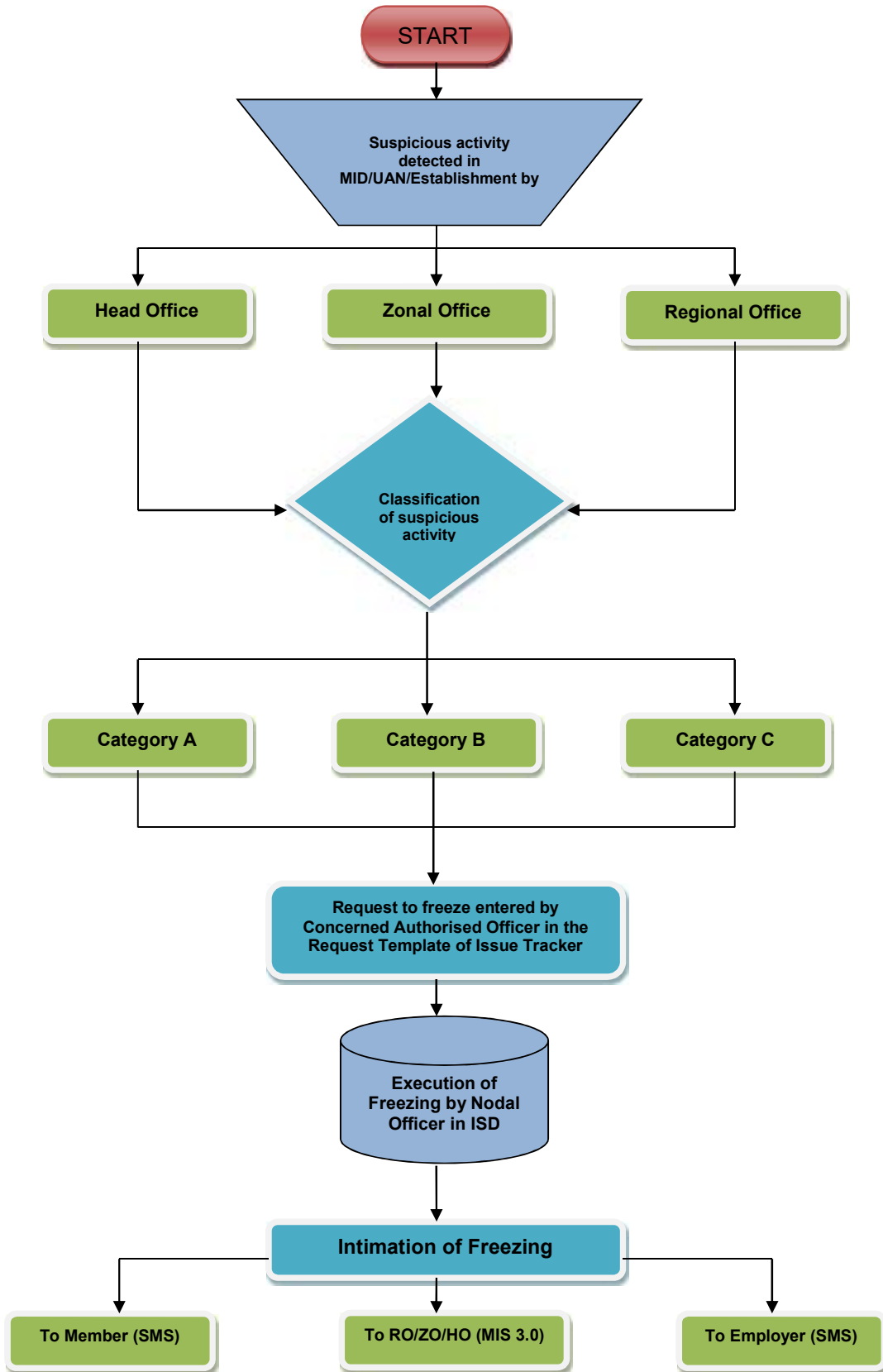
11.1 Whether the SOP is the initial version: Yes

- SOP No: **1 (Version 1)**
- Effective Date: **Date of issue**
- Significant Changes: **New SOP**
- Previous SOP no.: **Not Applicable**

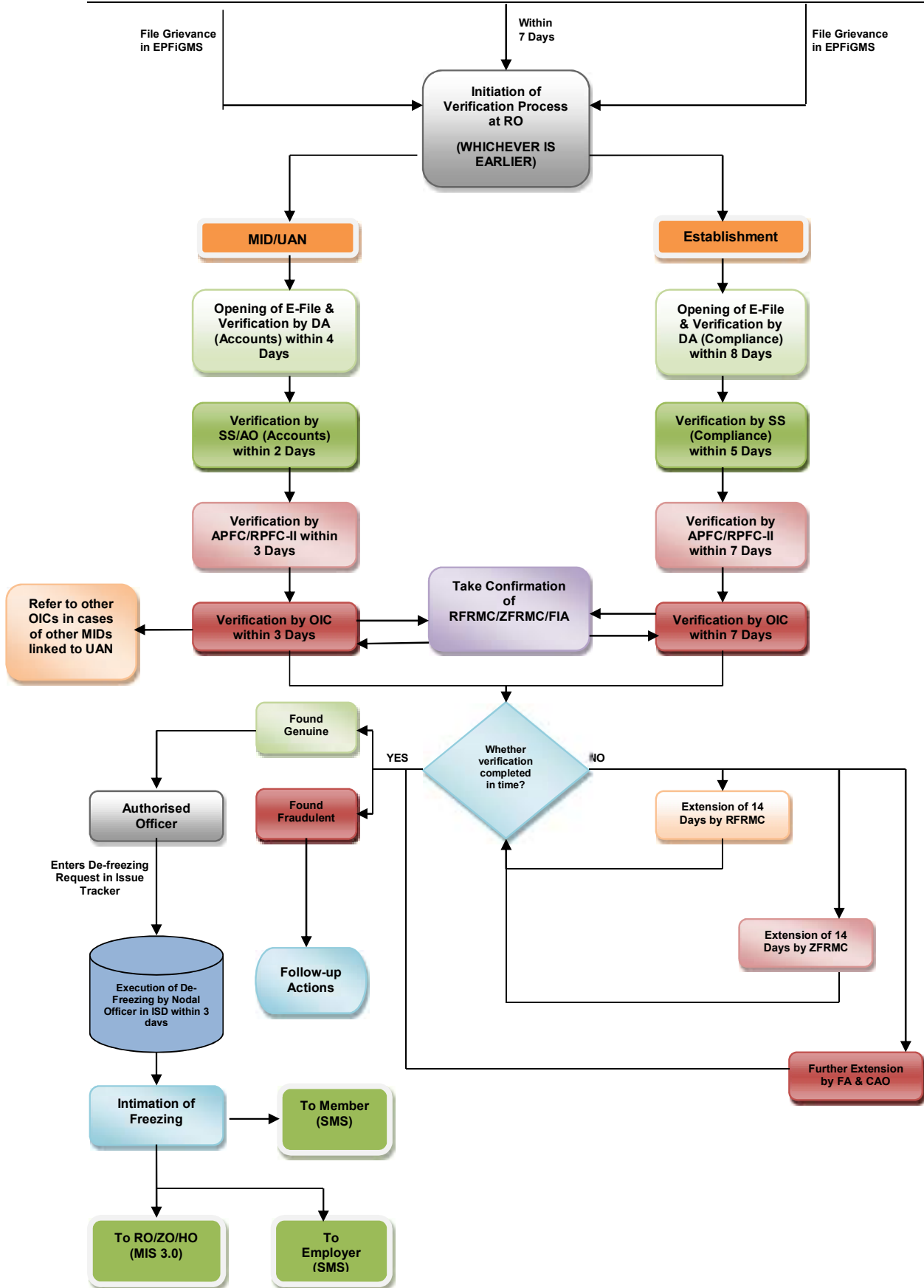
11.2 Whether replacing a previous SOP:

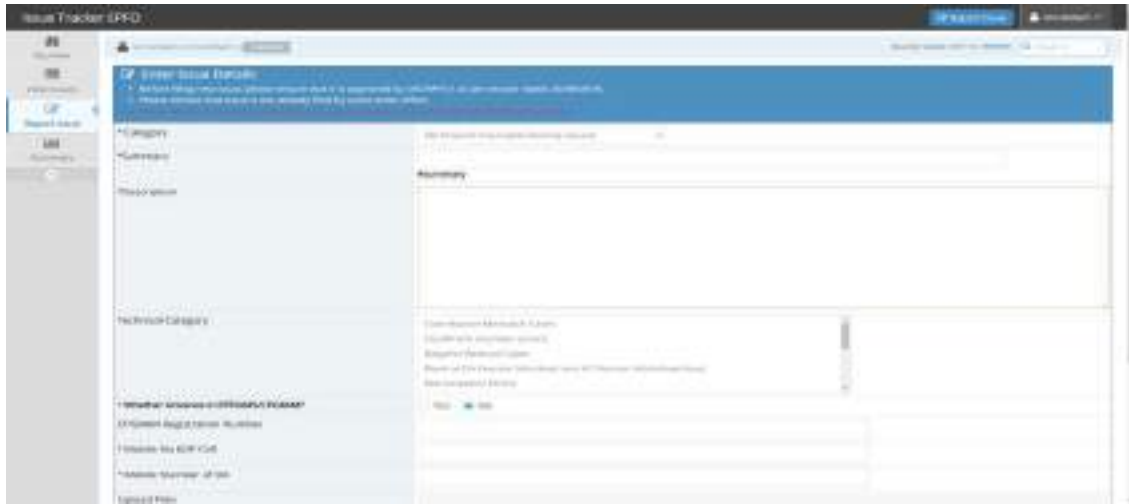
Not Applicable, being the initial version.

PROCESS-FLOW OF FREEZING & SUBSEQUENT DE-FREEZING



SOP Title: Freezing/de-freezing of MID/UAN/Establishment







कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
(Ministry of Labour & Employment, Govt. Of India)
मुख्य कार्यालय / Head Office
भविष्य निधि भवन, 14, भीकरीजी कामा प्लेस, नई दिल्ली - 110 066.
Bhavishya Nidhi Bhawan, 14-Bhikaiji Cama Place, New Delhi-110066
www.epfindia.gov.in www.epfindia.nic.in
Telephone: 011- 26172685 Fax: 011-26173022 Email: rc_fm@epfindia.gov.in

No.: WSU/17(4)2015/F/Part/

Date: 06.04.2018

To

568

06 APR 2018

All ACCs (HQ)/ACCs (Zones) &
All RPFCs-Incharge of
Regional Offices.

Sub: Fraud Risk Management in EPFO – Further instructions.

Ref: 1) Circular No. WSU/17(4)2014/Frauds/Part/102 dated 05.04.2016
2) Circular No. WSU/17(4)2015/F/Part/12484 dated 12.09.2017
3) Circular No. WSU/17(1)2017/Frauds/24735 dated 29.01.2018

Madam/Sir,

The instructions on handling of fraud cases regarding claim settlement have been reviewed and accordingly further instructions are issued as under:-

2. In supersession of previous circulars issued in the matter as referred above, a Fraud Risk Management Committee shall be constituted in each Regional Office and Zonal Office for effective monitoring, analyzing and management of risks of frauds. The constitution of the Fraud Risk Management Committee shall be as under:-

- (I) Fraud Risk Management Committee at RO level (RFRMC)
 - 1) Officer-in-Charge, Chairperson
 - 2) RPFC(Adm)/APFC(Adm)
 - 3) RPFC(FA)/APFC(PAC)
- (II) Fraud Risk Management Committee at Zonal office level (ZFRMC)
 - 1) ACC(Zones), Chairperson
 - 2) RPFC-I, Zonal Officer-in-charge of Finance/Audit
 - 3) OICs of ROs in the Zone

3. The jurisdiction of the Fraud Risk Management Committees will be as under:

- a) For frauds less than Rs. 25 Lakhs, the committee at the Regional Office level will give intimation of detection of fraud to the respective Zonal level committee. The investigation and follow up actions necessary in the matter immediately including FIR, however, will be carried out by RFRMC. The ZFRMC may monitor the progress in the investigation carried out by RFRMC. The RFRMC level Fraud Risk Management Committee will submit its investigation report to the ZFRMC, FA&CAO and CVO in stipulated time. Even in such cases, the reference will be made to CBI following existing procedure, if the case is of national or international ramifications.

- b) In case complaint is received in ZO/HO from other than OIC, or if the intimation, investigation or reporting by RO is unreasonably delayed, the ZO may take up the investigation at its own level.
- c) In the case of frauds involving amount of Rs. 25 lakh or more, the matter should necessarily be taken up by the ZFRMC. The ZFRMC will submit its investigation report to the FA&CAO and CVO in stipulated time. In all such cases the reference will be mandatorily made to CBI following existing procedure.
4. The Regional Office will monitor the progress in FIR registration and subsequent investigation, and will report progress in FIR/investigation to Vigilance Directorate with copy to ZO on a monthly basis.
5. The Regional Office shall take all necessary measures promptly to pursue with the bank authorities to freeze the bank accounts in which such payments have been credited, and to recover the amount. ZO will monitor the progress in recovery action and will report progress to Finance Division, HO
6. The Fraud Risk Management Committees at the Regional and Zonal level shall be responsible for periodic reviews of claim settlement and other operational processes to detect, investigate, and report instances of suspected frauds within their respective jurisdiction. The Committees on detection of any fraud case should ensure that prompt proper investigation is carried out and immediate further action is taken.
7. To further strengthen the Fraud Risk Management policy for the Organization, the following task force is constituted:
- 1) CVO (Convenor)
 - 2) ACC-HQ (HR & IS)
 - 3) FA & CAO
8. Other officers from NDC, Finance, and Audit may be co-opted by the committee as required. The task force will review the scope, control and monitoring mechanism of all type of frauds and will submit its report along with the recommendations to the CPFC.

Yours faithfully,



(Dr. V.P. Joy)

Central P.F. Commissioner



कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organisation

(एम एच रोजगार मंत्रालय, भारत सरकार)
(Ministry of Labour & Employment, Govt. Of India)

मुख्य कार्यालय/Head Office

भविष्य निधि भवन, 14, भीकानजी कामा प्लेस, नई दिल्ली - 110 066.
Bhavishya Nidhi Bhawan, 14-Bhikaji Cama Place, New Delhi-110066
Telephone: 011-26183589 Fax: 011-26173022 Email: rc.wsu@epfindia.gov.in

No. WSU/FIA/42(1)2017/ZFRMC/WZ

Date:

To

All Addl. CPFC (HQ/Zones)
Zonal Offices.

26 FEB 2019
26 FEB 2019

Subject: Fraud Risk Management in EPFO – Further instructions.

Reference: Head Office circular No. WSU/17(4)2015/F/Parl/568 dated 06.04.2018

Madam/Sir,

In continuation to the instructions contained in the above-said letter, it is reiterated that in cases of fraud involving an amount of Rs. 25 lakh and above, the matter shall mandatorily be referred to the Central Bureau of Investigation (CBI). In such cases, the ZFRMC will submit its investigation report to FA&CAO and CVO in stipulated time.

2. The authorities competent to refer cases to the CBI are the CVO and CPFC. The Zonal/Regional Fraud Risk Management Committees shall not refer any case directly to the CBI as has been observed in a few cases. Similarly, in cases of fraud involving an amount of Rs. 25 lakh and above, the matter may not be referred to the local police for lodging an FIR, since in such cases FIRs are to be filed by the CBI.
3. This has approval of Central P.F. Commissioner.

Yours faithfully,

H. Jain

(Hemant Jain)
FA&AO

Copy for information to:

Chief Vigilance Officer,
EPFO, Head Office



कर्मचारी भविष्य निधि संगठन
Employees' Provident Fund Organization

(कर्म एवं रोजगार मंत्रालय, भारत सरकार)
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भविष्य निधि भवन, 14, बीकानजी कामा प्लेस, नई दिल्ली - 110 066.
Bhavishya Nidhi Bhawan, 14-Bikanji Cama Place, New Delhi-110066
Telephone: 011- 26185580 Fax: 011-26170337 Email: ro.fia@epfindia.gov.in

No. FIA/4(14)2018/ZFRMC/UP/Part

11671

Date:

27 MAR 2019

To

All Addl. CPFC (HQ/Zones)
Zonal Offices.

Sub: Minutes of the meeting chaired by CPFC on 07.03.2019 – Monthly reports on frauds to be forwarded by the Zonal Offices.

Madam/Sir,

Please refer to the above-said subject.

2. A meeting was chaired by CPFC on 'Fraud Risk Management In EPFO' on 07.03.2019 at Head Office. CPFC discussed the cases on frauds reported by the Zonal Fraud Risk Management Committee and felt that a uniformity may be maintained in the reports submitted by the zonal committees. Copy of minutes, approved by the CPFC, is enclosed for kind information.
3. All Addl. CPFC (Zones)/Zonal Fraud Risk Management Committees are, therefore, requested to include all the points in their monthly reports submitted to Head Office as per the minutes. The updated and cumulative status of each fraud case may continue to be sent by the zonal offices as already being done in the monthly reports.

End: As above

Yours faithfully


(Sanjay Kumar)
Regional P.F. Commissioner-I (FIA)

**Minutes of the meeting on 'Fraud Risk Management in EPFO'
held on 07.03.2019 at Head Office**

A meeting was chaired by CPFC on 'Fraud Risk Management in EPFO' on 07.03.2019 at 11.00 am in the Mini conference room, 3rd floor, EPFO, Head Office, New Delhi. The list of officers who attended the meeting is annexed at 'A'.

CPFC discussed the issues on frauds reported by the Zonal Fraud Risk Management Committee and felt that an uniformity may be maintained in the reports submitted by the zonal committees. The following points may be included in the monthly reports submitted by the zonal committees:-

- i) **Cases reported by Audit:** All the audit reports of the Accountant General as well as Internal Audit Party will be examined by the ZFRMC. The issues pointed out by the audit reports particularly those related to overpayments, wrong payments, multiple payments & frauds shall invariably be reported by RFRMC to ZFRMC. The Zonal Office will give a 'Monthly certificate' in writing to Head Office that reports have been reviewed and there is no case of fraud, overpayment or multiple payments remain where appropriate action has not been taken. The zonal office shall in turn take requisite certificates from the RFRMC.
- ii) **Cases forwarded by Concurrent Audit Cell:** All the cases flagged and forwarded by Concurrent Audit Cell to the field offices will be examined by ZFRMC and shall invariably find a place in the monthly reports sent to the Head Office clearly pointing out the cases where appropriate action has been taken by the Regional offices and those which are still pending for appropriate action. The Concurrent Audit Cell shall also give suggestions for improvement of the system. Claims for payments of Rs. one lac and above flagged by the Concurrent Audit Cell shall be examined by the Regional Offices and it may be certified that no wrong/over/fraudulent payment has been made and must be ensured including on the basis of records.
- iii) Complaints related to frauds & overpayments received from CPGRAM, EPFIGMS, CVC, E-mail, physical copies or any other source shall be examined by the ZFRMC and shall form a part of the monthly report submitted to the Head Office. There will be zero tolerance towards over/fraudulent payments.
- iv) The Regional Offices shall report all overpayments to ACC (Zonal Office) which is headed Over Payment Review Committee (OPRC) and the concerned RPFC shall certify that the said overpayment is not a fraud.
- v) The certification called for in the above paragraphs shall be submitted every month by the Zones to the Head Office.
- vi) The ZFRMC shall include only those cases in their monthly return in which the fraud has been established by the Regional Offices. The action taken on the suspected frauds flagged by IAP or other sources may be examined by ZFRMC and shall be included in the minutes of the monthly meeting. Action taken/proposed must also be included without fail.

The meeting ended with Vote of thanks to the Chair.

Fraud Cases:-

Name of zone:

S. No.	Name of office	No. of cases detected & Amount Involved	No of cases under investigation	Cases reported after investigation	Cases reported for closure	Reported for filing of FIR	FIR Filed
1							
2							
3							
4							

Zone:

S. No.	Name of Office	Total amount reported as overpayment (above Rs. 1 lac)	Total amount reported as Multiple payments (above Rs. 1 lac)	Total amount treated as fraud	Investigation status of these fraud cases	FIR filed/registered involving amount less than Rs. 25 lac
1						
2						
3						
4						

Annexure

List of officers who attended the meeting:

1. Smt. Alka Jha, CVO
2. Sh. Hemant Jain, FA&CAO
3. Sh. Sanjay Kumar, RPFC-I (FIA)
4. Sh. Ajay Kumar, RPFC-I (Vigilance)
5. Sh. Ankur Sharma, RPFC-II (Vigilance)
6. Sh. Nadeem Ahmed, APFC (FIA)



कर्मचारी भविष्य निधि संगठन
EMPLOYEES' PROVIDENT FUND ORGANISATION
 श्रम एवं रोजगार मंत्रालय, भारत सरकार
MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA
 मुख्य कार्यालय/Head Office
 भविष्य निधि भवन, 14, भीकाजी कार्मा प्लेस, नई दिल्ली-110066
 Bhavishya Nidhi Bhawan, 14, Bhikaji Cama Place, New Delhi-110066
 Website: www.epfindia.gov.in, www.epfindia.nic.in



No. FIA/11(2)Zerobalance/nonAadharUAN/2021/(e-38763) | 964

Date: 17/08/2021

To

18 AUG 2021

All Addl. CPFCs
 (Zonal Offices)

Sub: Advisory regarding a fraud case.

Madam/Sir,

Please refer to the above-cited subject.

2. Erroneous/wrong payments have been reported in a field office with regard to the settlement of claims, in majority of which as per preliminary investigation, the modus operandi, with slight variations, consisted primarily of-

- Creating fictitious member IDs through FO interface,
- Creating zero balance accounts for these IDs,
- Adding random amounts in these accounts through Appendix-E, and
- Generating fictitious physical claims and in some case even online claims and settling the same.

3. In view of the above matter, the following advisories are being issued to all ZOs for ensuring strict compliance in respect of all field offices under jurisdiction.

- Despite repeated instructions in the matter of maintaining strict confidentiality with regard to user login IDs and passwords, the same is shared very casually. All users may be directed to immediately change their passwords and a confirmation in this regard along with a confirmation that allocation of roles in the Application Software has been reviewed may be sent to this Office by 20th of August, 2021.
- The use of Appendix E should be restricted to exceptional situations exercising all precautions and checks as prescribed from time to time. Overall controls and checks must be at the highest level. The approving authority for Withdrawal / deposits (credits) in all existing or newly created Zero balance accounts where credit is effected by way of Appendix-E / VDR (in all types of establishments) should now be by OIC's (RPFC-II / RPFC-I).
- All Zonal Offices may examine the cases where member account has been opened with Zero balance and contribution added using Appendix-E/Special VDR/Special 10D functionality and the claim has been settled using physical/offline claim Form, in respect of Regional Offices falling under their jurisdiction. In case discrepancies are noticed, appropriate action may be initiated and matter may be immediately reported to HO through ZFRMC.

- iv. In case any irregularity is noticed, RO/ZO is directed to take immediate steps for the recovery of the fraudulent amount.
- v. Daily reports of such transactions, (if any) may be submitted to the respective ACC (Zone) or as suggested/monitored by respective ACCs. Reports which are furnished by ZFRMC to H.O. on monthly basis must include the status of the irregularity in the reported transactions and in case of 'Nil' report a certificate to this effect should be communicated through monthly ZFRMC report. (Zero based Account utilisation with respect of Appendix-E/VDR etc).
- vi. Even though, the thrust has been on online mode of submission and to keep a physical receipt to the bare minimum but in practice, physical claims are still being received in large numbers in many offices in respect of even claim types where online mode has become the norm. ZO is directed to closely monitor and report status of genuineness of physical claim settlement of their Zone through monthly ZFRMC report. In case of 'Nil' report of fraudulent transactions in physical claim settlement, a certificate to this effect should be communicated through monthly ZFRMC report.

(Issued with the approval of the Competent Authority).

(Rajiv Bisht)
Addl. CPFC (FIA)

Copy to:

- i. ACC-HQ (Audit/CAC)
- ii. CVO
- iii. ACC-HQ (Pension)

- For information please.