

“Allowing Aadhar-based e-KYC for Non-Banks a Positive Move: PCI”

- *IAMAI's payments arm PCI represented the concerns of the non-banking industry in absence of Aadhar Eauthentication with MOF*
- *DOR issued a circular enlisting the procedure for processing of applications, for use of Aadhar authentication services, by reporting entities other than banking companies*
- *Entity wise approval will be granted by regulator, UIDAI and the government, post the fulfillment of security and privacy standards*

New Delhi, May 16th, 2019: In order to permit authentication of the client's Aadhar number using e-KYC authentication facility, the Department of Revenue (DOR) at Ministry of Finance (MOF) has issued a circular enlisting the procedure for processing of applications, for use of Aadhar authentication services, by reporting entities other than banking companies. The circular provides the procedure to apply for obtaining consent by reporting entities, wherein respective regulators will process the application followed by UIDAI's scrutiny of applicable privacy and security standards. The central government, if satisfied will notify the list of authorised entities for UIDAI to give access to the infrastructure.

The Payments Council of India (PCI) which represents the players in the payments and settlements systems, welcomes the much-awaited circular on Aadhar based e-authentication facility for regulated non-banking entities. The council would like to extend its gratitude to the Department of Revenue, Ministry of Finance to come up with the circular, which brings clarity amongst the non-banking industry participants post the Aadhar ordinance. The earlier ordinance enabled only the banking entities to use eKYC authentication facility.

The council had shared a representation with the Department of revenue highlighting the concerns of the entire non-banking prepaid industry, whose innovative models relied the Aadhar authentication were negatively affected due lack of any clear regulations or guidelines for the time being.

PCI considers this step will bring the opportunities for greater financial innovation and inclusion and shall foster the environment of ease of doing business. It believes that it will lead into a paperless, cashless, transparent, safe, secure, convenient, quick, affordable and a fair digital economy with the mechanism of substantial audit trail preventing various scrupulous activities. It seems a remarkable journey where entire industry appears to be pledged to provide incredible outputs and determined to bring solutions to multiple problems while writing the growth trajectory of digital infrastructure in the country.

The relevant notification may be found at <https://dor.gov.in/other-circulars>

About Payments Council of India (PCI)

Payments Council of India (PCI) is a part of Internet and Mobile Association of India (IAMAI) and represents more than 100 players in the payments and settlement systems. Its objective is to address and help resolve various industry level issues and barriers which require discussion and action. The important stakeholders are prepaid payment issuers, payments banks, merchant aggregators and acquirers, payments networks, BBPOUs, UPI facilitators and international remittances facilitators.

About IAMAI

The Internet and Mobile Association of India [IAMAI] is a young and vibrant association with ambitions of representing the entire gamut of digital businesses in India. It was established in 2004 by the leading online publishers, and in the last 15 years has come to effectively address the challenges facing the digital and online industry including mobile content and services, online publishing, mobile advertising, online advertising, ecommerce and mobile & digital payments among others.

Fifteen years after its establishment, the association is still the only professional industry body representing the online industry in India. The association is registered under the Societies Act and is a recognized charity in Maharashtra. With a membership of nearly 300 Indian and overseas companies, and with offices in Delhi, Mumbai, Bengaluru and Kolkata, the association is well placed to work towards charting a growth path for the digital industry in India.

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