



Aadhaar to be Used for Fin Sector KYC

Aadhaar is on course to evolving into a comprehensive identification number for financial transactions, with the government deciding to introduce Aadhaar-enabled know-your-customer regime across the financial sector, reports **Dheeraj Tiwari**. The Centre is holding consultations with all regulators in this regard, officials said.

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Aadhaar-based KYC Likely Across Financial Sector

The information can be used for bank a/c, mutual fund investments, demat a/c & insurance

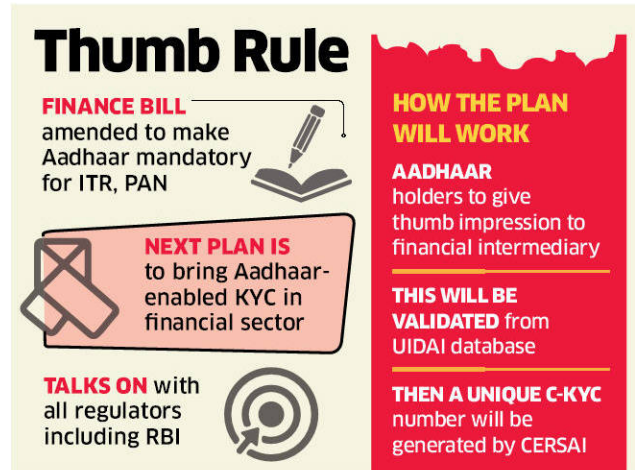
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New Delhi: Aadhaar is on course to evolving into a comprehensive identification number for financial transactions, with the government deciding to introduce Aadhaar-enabled know-your customer regime across financial sector.

The government is holding consultations with all regulators including the Reserve Bank of India in this regard, officials said on Thursday, a day after Aadhaar was made mandatory for filing income tax returns and applying for permanent account number or PAN.

"Aadhaar e-KYC provides an instant, electronic and non-repudiable proof, besides updated contact details, which helps in further streamlining the process of service industry," said a senior finance ministry official, who did not wish to be identified.

The government has through an amendment in the Finance Bill made Aadhaar, the 12-digit number issued by the Unique Identification Authority of In-



dia, mandatory for filing income tax returns and applying for PAN. "Those individuals who already have Aadhaar, will need to provide their thumb impression to any of the financial intermediaries. This will be then given to the reporting entity of the sector concerned, which will validate it from the UIDAI database," the official said.

Based on this data, a unique C-

KYC number will be generated by Central Registry of Securitisation and Asset Reconstruction and Security Interest of India or CERSAI.

"This number can be used across all financial products including bank accounts, mutual fund investments, demat accounts and insurance policies," said another official.

Finance minister Arun Jaitley

had in Lok Sabha on Wednesday, during discussion on the amendments to the Finance Bill, come out strongly in favour of Aadhaar and said, "A stage may come that the unique identity will become the only card."

Jaitley said that the government is putting it to use since 98% adults or more than 108 crore people in India having been issued Aadhaar, rejecting demands in Parliament to reconsider the proposal to make Aadhaar mandatory for PAN and income tax filing.

Aadhaar-based e-KYC facility will allow individuals or entities wanting to apply for PAN to verify details such as date of birth or address by way of biometric identification using thumb impressions.

Last year, CERSAI had launched the C-KYC initiative to ensure uniform KYC process across financial institutions.

In 2016, market regulator Securities and Exchange Board of India had given consent to voluntary adoption of Aadhaar based e-KYC. All state-run banks have been directed to provide such updated data to the authority.