E-KYC

In order to reduce the risk of identity fraud, document forgery and to have paperless KYC verification, e-KYC service UIDAI has launched its. Accordingly, it has been decided to accept e-KYC service as a valid process for KYC verification under Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

The regulatory aspects have been introduced vide RBI/2013-14/242 BC.No.32/07.51.018/2013-14 September 10, 2013.

Recognising on-line Aadhaar authentication (electronic verification process) to be accepted as an 'Officially Valid Document' under PML Rules

E-KYC service of Unique Identification Authority of India (UIDAI) may be accepted as a valid process for KYC verification under the PML Rules. The information containing demographic details and photographs made available from UIDAI as a result of e-KYC process ("which is in an electronic form and accessible so as to be usable for a subsequent reference") may be treated as an 'Officially Valid Document' under PML Rules. While using e-KYC service of UIDAI, the individual user has to authorize the UIDAI, by explicit consent, to release her or his identity/address through biometric authentication to the bank branches/business correspondents (BCs). The UIDAI then transfers the data of the individual comprising name, age, gender, and photograph of the individual, electronically to the bank/BCs, which may be accepted as valid process for KYC verification.

Further, e-Aadhaar downloaded from UIDAI website may be accepted as an officially valid document subject to the following:

i.   If the prospective customer knows only his/her Aadhaar number, the bank may print the prospective customer's e-Aadhaar letter in the bank directly from the UIDAI portal; or adopt e-KYC procedure as mentioned in paragraph (b) above.

ii. If the prospective customer carries a copy of the e-Aadhaar downloaded elsewhere, the bank may print the prospective customer's e-Aadhaar letter in the bank directly from the UIDAI portal; or adopt e-KYC procedure as mentioned in paragraph (b) above; or confirm identity and address of the resident through simple authentication service of UIDAI.

Information containing demographic details / photographs made available from UIDAI e-KYC process an electronic form and accessible to be usable for subsequent reference

Operational Procedure to be followed by banks for e-KYC exercise

The e-KYC service of the UIDAI is be leveraged by banks through a secured network. Any bank willing to use the UIDAI e-KYC service is required to sign an agreement with the UIDAI. The process flow to be followed is as follows:

1. Sign KYC User Agency (KUA) agreement with UIDAI to enable the bank to specifically access e-KYC service.

2. Banks to deploy hardware and software for deployment of e-KYC service across various delivery channels. These should be Standardisation Testing and Quality Certification (STQC) Institute, Department of Electronics & Information Technology, Government of India certified biometric scanners at bank branches/ micro ATMs/ BC points as per UIDAI standards. The current list of certified biometric scanners is given in the link below: http://www.stqc.gov.in/sites/upload_files/stqc/files/UID_Auth_Certlist_250613.pdf

3. Develop a software application to enable use of e-KYC across various Customer Service Points (CSP) (including bank branch, BCs etc.) as per UIDAI defined Application Programming Interface (API) protocols. For this purpose banks will have to develop their own software under the broad guidelines of UIDAI. Therefore, the software may differ from bank to bank.

4. Define a procedure for obtaining customer authorization to UIDAI for sharing e-KYC data with the bank. This authorization can be in **physical** (by way of a written explicit consent authorising UIDAI to share his/her Aadhaar data with the bank/BC for the purpose of opening bank account) **/electronic** form as defined by UIDAI from time to time.

5. Sample process flow would be as follows:
   a. Customer walks into CSP of a bank with **his/her 12-digit Aadhaar number and explicit consent** and requests to open a bank account with Aadhaar based e-KYC.

   b. Bank representative manning the CSP enters the number into bank's e-KYC application software.

   c. The customer inputs his/her biometrics via a UIDAI compliant biometric reader (e.g. fingerprints on a biometric reader).

   d. The software application captures the Aadhaar number along with biometric data, encrypts this data and sends it to UIDAI's Central Identities Data Repository (CIDR).

   e. The Aadhaar KYC service authenticates customer data. If the Aadhar number does not match with the biometrics, UIDAI server responds with an error with various reason codes depending on type of error (as defined by UIDAI).

   f. If the Aadhaar number matches with the biometrics, UIDAI responds with digitally signed and encrypted demographic information [Name, year/date of birth, Gender, Address, Phone and email (if available)] and photograph. This information is captured by bank's e-KYC application and processed as needed.

   g. Bank's servers auto populate the demographic data and photograph in relevant fields. It also records the full audit trail of e-KYC viz. source of information, digital signatures, reference number, original request generation number, machine ID for device used to generate the request, date and time stamp with full trail of message routing, UIDAI encryption date and time stamp, bank's decryption date and time stamp, etc.

   h. The photograph and demographics of the customer can be seen on the screen of computer at bank branches or on a hand held device of BCs for reference.

   i. The customer can open bank account subject to satisfying other account opening requirements.