

NBFCs, Payment system operators allowed to apply for Aadhaar e-KYC license- RBI

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The Reserve Bank of India has invited applications from NBFCs, payment system providers and payment system participants looking to obtain Aadhaar e-KYC licence.

As per provisions of Prevention of Money Laundering Act (PMLA), 2002, entities other than banking companies may, by notification of the central government, be permitted to authenticate client's Aadhaar number using e-KYC facility provided by the Unique Identification Authority of India (UIDAI).

Such notification shall be issued only after consultation with UIDAI and the appropriate regulator, clarified the central bank.

A detailed procedure for processing of applications under the PMLA provisions for use of Aadhaar authentication services by entities other than banking companies has been provided by the Department of Revenue, Ministry of Finance in its circular dated May 9, 2019.

"Accordingly, non-banking finance companies (NBFCs), payment system providers and payment system participants desirous of obtaining Aadhaar Authentication License - KYC User Agency (KUA) License or sub-KUA License (to perform authentication through a KUA), issued by the UIDAI, may submit their application to this Department for onward submission to UIDAI," RBI said in a statement on Monday.

The applications will have to be sent via email to the RBI in format provided on the central bank's website.