

UIDAI for payments system regulator to allay theft fears

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New Delhi: The UIDAI has called for a “payments system regulator” who can work without a conflict of interest and scale up Aadhaar-based transactions by promoting inter-operability and enforcing accountability.

The regulator, seen in the light of concerns ranging from loss of privacy to unauthorised use of bio-metric data, will be expected to oversee discipline and accountability and avoid any conflict of interest that tilts the scale in favour of a few entities.

“In UIDAI opinion, there is a need for a payments system regulator/observer who can engage with all the system participants without having a conflict of interest in favour of a few participants, and who can work towards scaling up Aadhaar-based transactions,” the ministry of information and technology has informed the finance standing committee of Parliament.

The proposed regulator would have a mandate to implement cost-based transac-

tion charges for infrastructure providers and facilitate rules and regulations that encourage inter-operability at all “banking touch points”, the government has told the committee headed by Congress leader Veerappa Moily.

A regulator, said official sources, will further strengthen the legal framework for Aadhaar that is governed by an Act of Parliament and also monitor use of data collected by the Unique Identity Authority of India and used

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by private businesses. Some of the fears that data could be used for purposes other than authentication of identity could be assuaged as a regulator will add another layer of scrutiny apart from UIDAI.

The need to monitor and develop rules for digital payments in a scenario that is being constantly transformed by technology is acknowledged by the government in the light of a wariness about the safety of digi-

tal transactions among a large section of people. The Centre assured the committee that no breach or hacking of Aadhaar data has been detected so far.

In its response to questions posed by committee members, the government has accepted the need for a behavioural shift to increase digital transactions.

“The government realises that currently a majority of citizens and merchants are using cash and paper-based modes (cheques and demand drafts) for payments and receipts. In order to inculcate ‘behavioural shift’ amongst people, there is a need to create awareness and promote usage of digital payments,” the ministry of IT has said.

The government has spelt out measures taken to ensure safety of digital transactions through the actions of the central computer emergency response team (CERT) that is responsible for analysis, forecast, alerts and responses to cyber security incidents. RBI and SEBI have also issued guidelines on cyber security.