

## Direct selling sector begins KYC based on Aadhaar

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India's growing direct selling industry has initiated Aadhaar-based 'Know Your Customer' (KYC) process for better control and compliance with norms. Regulated sectors such as banking, insurance, telecom and exchange industry players (broker/sub-brokers and their clients) were among the first to introduce Aadhaar-based 'e-KYC' to meet the stringent norms of their respective regulators.

Joining the bandwagon is now the direct selling industry, which falls under the purview of the ministry of consumer affairs (MCA). It is switching to Aadhaar-based e-KYC for its vast network of independent representatives (IRs). Direct Selling is a heavily-employment generating industry. Currently, an estimated 50 lakh people are engaged in India by this sector. This number is expected to increase to 1.8 crore by 2025, as per a FICCI-KPMG report.

The direct selling companies have stepped up their efforts to have KYC for all their IRs, particularly since the issuance of Model Direct Selling Guidelines by the MCA last year. Recently, companies like 4Life and QNET announced that they have initiated Aadhaar-card based e-KYC process.

"Adoption of global best practices will lead to resolution of challenges for the Indian direct selling players.

"Aadhaar-based KYC is a foolproof and most reliable method for identity verification. We have initiated Aadhaar-based verification for all representatives associated with us," said Mr Trevor Kuna, Global CEO of QNET.

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