

Aadhaar-Based Transactions via Mobile Phones in the Offing

Our Bureau

New Delhi: The government is gearing up to facilitate Aadhaar number-enabled financial transactions through mobile phones as part of its drive to convert the country into a cashless economy.

"Aadhaar-enabled transactions are card-less and pin-less. This would enable Android phones users to digitally transact using their Aadhaar number and fingerprint/iris authentication," said Ajay Pandey, director general of Unique Identification Authority of India (UIDAI). He said the government has already initiated efforts to implement Aadhaar-enabled transactions, which requires a multi-pronged strategy, including talking to mobile manufacturers, merchants and banks.

The move, which is part of an all-round approach towards enabling digital payments, is being driven by NITI Aayog. "We are asking mobile manufacturers to see if all mobiles made in India should be inbuilt with iris or thumb identification system to help Aadhaar-enabled transactions," NITI Aayog CEO Amitabh Kant said.

Kant said the government is simultaneously working on a policy to disincentivise cash transactions and incentivise digital transactions in the country. He refused to share any proposed measure under this plan.

Kant is part of a chief ministers'



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AMITABH KANT
NITI Aayog CEO

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committee which will lay out a roadmap for implementation of digital payments over the next one year. The first meeting of the committee was held on Thursday.

After its massive demonetisation drive launched on November 8, the government had said that no additional charges will be levied on digital transaction until December 30. But most merchants continue to charge 2% extra on card transactions. The government now looks to put in place a proper system to discontinue additional charges on a sustainable basis.

UIDAI has planned to increase biometric authentication capacity through Aadhaar to 40 crore a day

from 10 crore to encourage more use of the platform for realising a cashless society.

The government is concurrently working on developing a common mobile phone app that can be used by shopkeepers and merchants for receiving Aadhaar-enabled payments, bypassing credit and debit cards, pin and password. Through this mobile application, the handset will be used for authenticating biometrics of customers making Aadhaar-enabled payment.

Meanwhile, information technology secretary Aruna Sundarajan said the ministry has kept aside ₹100 crore to incentivise enrolment of merchants on to the digital platform to help push the drive.

"IT department is providing incentive of ₹100 for every merchant enrolled through over two lakh common service centres across India," she said.

"The ministry will undertake a major outreach communication campaign starting from Monday to ensure that every segment of population is enabled to use one of other mode of digital payment," Sundarajan said.

The 12-digit Aadhaar number has already been issued to 1.08 crore people in the country and 99% of adults have been covered. People can link their Aadhaar with their bank accounts and use Aadhaar-enabled payment system (AEPS) for funds transfer, balance enquiry, cash deposits or withdrawals and inter-banking transactions.