AADHAAR: AN ENABLER FOR FINANCIAL INCLUSION

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Digital ID Infrastructure: Context

- Provision of a robust, reusable ID to those who do not have any formal ID document
- To clean up existing databases from ghosts and duplicates
- Improve Targeting and Delivery of Services
- Reduce cost of Delivery of Services
Journey of Aadhaar

- First Aadhaar issued in September 2010
- 940 million thus far @ 1 million per day
- Unique and Authenticable Digital ID Infrastructure

1Bn by Mar 2016
An ‘hour-glass’ platform architecture

- Minimal
- Standardized
- Simple design
- Easy to execute
- Easy to write a law

Allows innovation on all sides
JAM Trinity

Jan-Dhan
- A massive program of Financial Inclusion
- 190 million accounts opened

Aadhaar
- Digital-online ID Infrastructure
- More than 940 million IDs issued
- Unique and Authenticable

Mobile
- Tool to access internet and service delivery
- More than a billion mobile phones in India
- Lowest tariffs in the world
Aadhaar-based Technology Enablers for FI

- Open Bank Accounts using Aadhaar
- Linking of Aadhaar to existing bank accounts

- Aadhaar Payment Bridge (APB)
  - Simplifies disbursal of funds – uses only one account for all disbursals

- Aadhaar Enabled Payments System (AEPS)
  - Inter-operable, portable anytime anywhere
A direct pipe to the Resident

Government ‘puts in’ money using an Aadhaar

Beneficiary ‘takes out’ his money using same Aadhaar and his biometric
India Technology Stack

Consent Layer
- Provides a modern privacy data sharing framework
- Open personal data store

Cash-less Layer
- Game changing electronic payment systems and transition to cashless economy
- IMPS, APB, AEPS and UPI

Paper-less Layer
- Rapidly growing paper-less, digitally authenticated shareable documents
- Powered by eKYC, e-Sign and Digital Locker

Presence-less Layer
- Unique Digital Biometric Identity with open-access to a billion people
- Powered by Aadhaar Authentication
Conclusion

• Aadhaar provides the foundation of technology stack to enable low-cost, technology-driven mobile banking
• Bringing down costs will result in inclusion
• India has the telecom experience of low value, large volume electronic transactions
• Payment banks must leverage these enablers and use technology for delivering low-cost frugal, yet a roust and secure banking to the people of India
• Consent-based architecture will ensure building of credit histories and credit availability to the rural poor (lowest default – highest interest rate)
Thanks!
Questions?