

Govt allows 22 finance cos to take up Aadhaar-based verification of clients

NEW DELHI: The Finance Ministry has allowed 22 financial companies, including Amazon Pay (India) and Hero FinCorp, to undertake Aadhaar-based authentication of clients.

The ministry, through a notification, said these 22 companies, which are already reporting entities under the PMLA, will be able to verify the identity of clients and beneficial owners' details using their Aadhaar numbers.

These 22 financial companies include Godrej Finance, Amazon Pay (India) Pvt Ltd, Aditya Birla Housing Finance, Tata Motors Finance Solution, IIFL Finance and Mahindra Rural Housing Finance Ltd.

Nangia Andersen LLP Partner Sandeep Jhunjhunwala said



that while Aadhaar authentication of clients is made available as one of the modes of verification for banking companies, the Prevention of Money Laundering Act (PMLA) provides that Aadhaar authentication can also be adopted by reporting entities other than banking companies as may be notified by the central government.

"Accordingly, the CG has notified a list of 22 financial institutions/intermediaries, which are permitted to use Aad-

haar authentication to verify the identity of clients/ beneficial owners," Jhunjhunwala said.

The other modes of verification prescribed under the Money Laundering Act include offline verification under the Aadhaar Act, use of a passport and any other officially valid document or modes of identification as may be notified by the central government, and the client has a voluntary choice to opt for the mode of verification.

"In the interest of safeguarding the identity information and authentication records of individuals, the Money Laundering Act prohibits reporting entities from storing the Aadhaar number or core biometric information of the client, where Aadhaar is used to verify identity," Jhunjhunwala added. PTI

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PTI / New Delhi

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