

NPCI/NFS/OC No.235/2016-17

December 09, 2016

To,

All Members of National Financial Switch (NFS)

Madam / Dear Sir,

Sub: Aadhaar-based Authentication for Card Present Transactions

Please refer to RBI Circular No. DPSS.CO.PD No.1421/02.14.003/2016-17 dated 02nd December, 2016 on the above subject (copy attached).

In view of directive issued by RBI under section 10(2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007), all members are here by requested to take note of the instruction contained in the above circular.

Thanking You,

Yours faithfully,

Dilip Asbe

Chief Operating Officer

Encl.:

1. DPSS.CO.PD No.1421/02.14.003/2016-17 — Aadhaar-based Authentication for Card Present Transactions.



भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

RBI/2016-17/170 DPSS.CO.PD No.1421/02.14.003/2016-17

December 02, 2016

The Chairman and Managing Director / Chief Executive Officers
All Scheduled Commercial Banks including RRBs / Urban Co-operative Banks /
State Co-operative Banks / District Central Co-operative Banks/
Authorised Card Payment Networks / White Label ATM Operators /
Payments Banks / Small Finance Banks

Dear Madam / Sir,

Aadhaar-based Authentication for Card Present Transactions

A reference is invited to our <u>circular DPSS.CO.PD.No.892/02.14.003/2016-17 dated September 29, 2016</u> wherein banks were advised to ensure that all new card present acceptance infrastructure deployed with effect from January 1, 2017 are enabled for processing payment transactions using Aadhaar-based biometric authentication also.

- 2. It has been brought to our notice that the rate of deployment of acceptance infrastructure has slowed down owing to the mismatch between demand and supply of such Aadhaar-enabled devices. Therefore, on a review, it has been decided to extend the time for deployment of Aadhaar-enabled devices till June 30, 2017. However, banks may continue to make necessary arrangements, including changes as host-end, network level and device readiness, as required to ensure adherence to above instructions.
- 3. Further, it is also clarified that the instructions contained in our <u>circular dated September 29</u>, <u>2016</u> are for deployment of new card acceptance infrastructure. As regards enablement of existing card acceptance infrastructure for processing payment transactions using Aadhaar-based biometric authentication, the timeline will be advised in due course.
- 4. This directive is issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).
- 5. Please acknowledge the receipt of this circular.

Yours faithfully,

(Nanda S. Dave) Chief General Manager