

Banks balk at high UIDAI charges

“It has helped them move to digital and secure medium from paper based verification that has led to good cost savings. Also, there is no transaction charge as such,” the UIDAI said.

Banks have to pay a fee of Rs. 20 lakh with a validity of two years for production environment facility for authentication of Aadhaar. For availing pre-production environment facility, a fee of Rs. 5 lakh is levied, with a validity of three months. If banks want to continue the pre-production facility for more than three months, they have to pay Rs. 5 lakh again for another three month period. According to bankers, such high charges for enabling the Aadhaar environment for customers are not justifiable since the unique identification numbers were sought to be used for social objectives. The high charges are particularly affecting smaller banks, small finance banks, prepaid payment instrument issuers and smaller non-banking finance companies.

The Federation has requested the UIDAI to revisit its licence fee structure, in sync with the size of an UCB, so that they are not unnecessarily burdened. It also flagged the charges for authentication service agencies which it said are Rs. 1 crore with a two year validity for production environment facility, and Rs. 10 lakh for three month validity for pre-production environment facility.

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