

Aadhaar Payment Bridge System

January 6, 2021

In news

Recently, a campaign called Rethink Aadhaar has published a report highlighting scams in the Aadhaar enabled Direct Benefit Transfers(DBTs).

What is the Aadhaar Payment Bridge (APB) System?

It is one of the unique **payment systems implemented by NPCI, uses Aadhaar number as a central key for electronically channelizing the Government benefits and subsidies** in the Aadhaar Enabled Bank Accounts (AEBA) of the intended beneficiaries.

Why is the Aadhaar Payment Bridge (APB) System required?

- The APB System sub-serves the goal of Financial Inclusion and provides an opportunity to the Government to attempt financial re-engineering of its subsidy management program.
- The implementation of APB System has also led to electronification of a large number of retail payment transactions which were predominantly either in cash or cheque.

Key features of the APB System

- Banks can upload/download transaction files through secured web access.
- Banks can get connect to NPCI either through NPCINet or Internet.
- Transaction routing on the basis of IIN issued by NPCI.
- Transaction processing by destination banks on the basis of Aadhaar numbers.
- APB System supports ISO 20022 messaging standards.
- APB System supports multiple intraday sessions.

- APB System provides Direct Corporate Access (DCA) to Government Departments and Agencies.
- Provides online Dispute Management System (DMS).
- APB System capable to handle 10 million transactions per day.
- APB System can process both onus and offus transactions.
- APB System makes available enriched MIS to all the participants.
- APB System provides secure Clearing and Settlement process.

Benefits of APB system

- Eliminates inordinate delays, multiple channels & paper-work involved in the existing system.
- Transfers benefits & subsidies in a seamless & timely manner and directly into the Aadhaar Enabled Bank Account.
- In case of change in bank account, customer is not required to convey the bank account details or change in bank details to the Government Department or Agency.
- Customer not required to open multiple bank accounts for receiving benefits and subsidies of various social welfare schemes – Customer just need to open one account and seed his/her Aadhaar number in the bank account to start receiving benefits and subsidies directly into his/her Aadhaar Enabled Bank Account.