FIU Adoption of Fair Use Framework for AA

- Using Fair Use Templates and Guidelines Effectively

May 16, 2025

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Agenda

1. AA Participatory Governance   - 11.30 am to 11.40 am
2. Fair Use Template Library   - 11.40 am to 11.50 am
3. Fair Use Implementation Guidelines   - 11.50 am to 12.10 pm
4. Insights on From Finvu AA   - 12.10 pm to 12.40 pm
5. Q&A   - 12.40 pm to 1.00 pm

Participatory Governance Model for Account Aggregator Framework

India Stack is a set of technologies: Account Aggregator is building the data layer
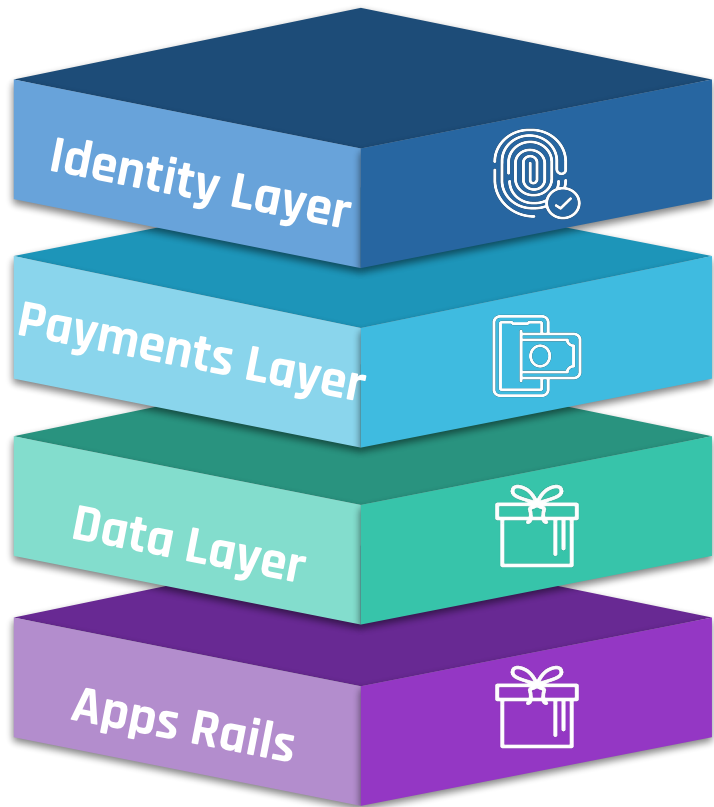
Identity Layer
Giving every resident a unique id and enabling them to prove "I am who I claim to be"

→ Aadhaar
→ eKYC
→ eSign

Payments Layer
Allowing anyone to pay anyone else! interoperable, fast and cheap - not just smartphones

→ Unified Payments Interface
→ Aadhaar Payments Bridge
→ Aadhaar Enabled Payment Service

Data Empowerment
To enable secure sharing of data
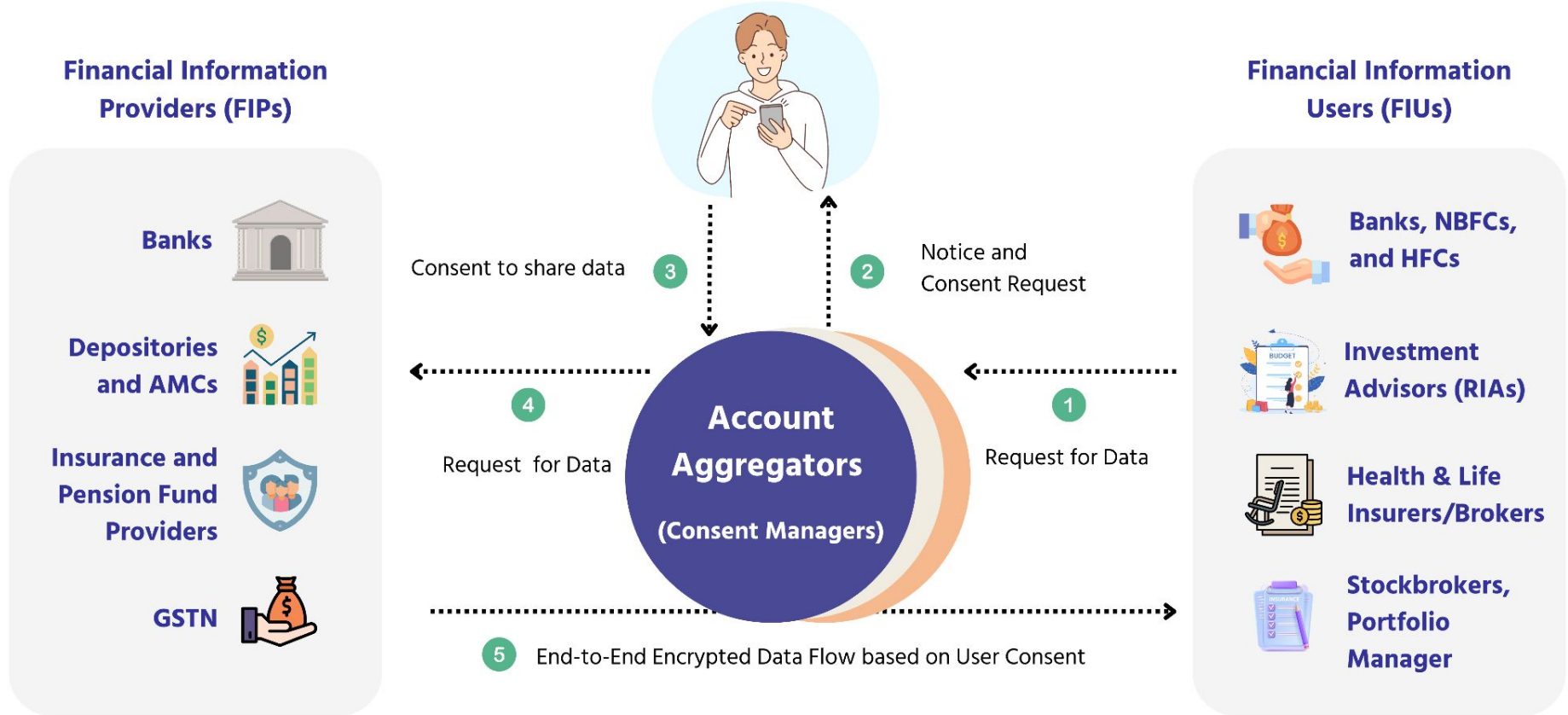
→ Consent Artefact
→ DigiLocker
→ Account Aggregator

Cooperative Apps
To make it easier to interoperate

→ Open Financial Networks (ONDC FS, OCEN)
→ National Health Stack
→ Open Network for Digital Commerce
→ Digital Ecosystem for Skilling and LiveliHood

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Account Aggregator at Scale: More information types and innovative use cases

Financial Information Providers (FIPs)

Banks

Depositories and AMCs

Insurance and Pension Fund Providers

GSTN

Financial Information Users (FIUs)

Banks, NBFCs, and HFCs

Investment Advisors (RIAs)

Health & Life Insurers/Brokers

Stockbrokers, Portfolio Manager

Consent to share data ③

Notice and Consent Request ②

Account Aggregators

(Consent Managers)

④ Request for Data

① Request for Data

⑤ End-to-End Encrypted Data Flow based on User Consent

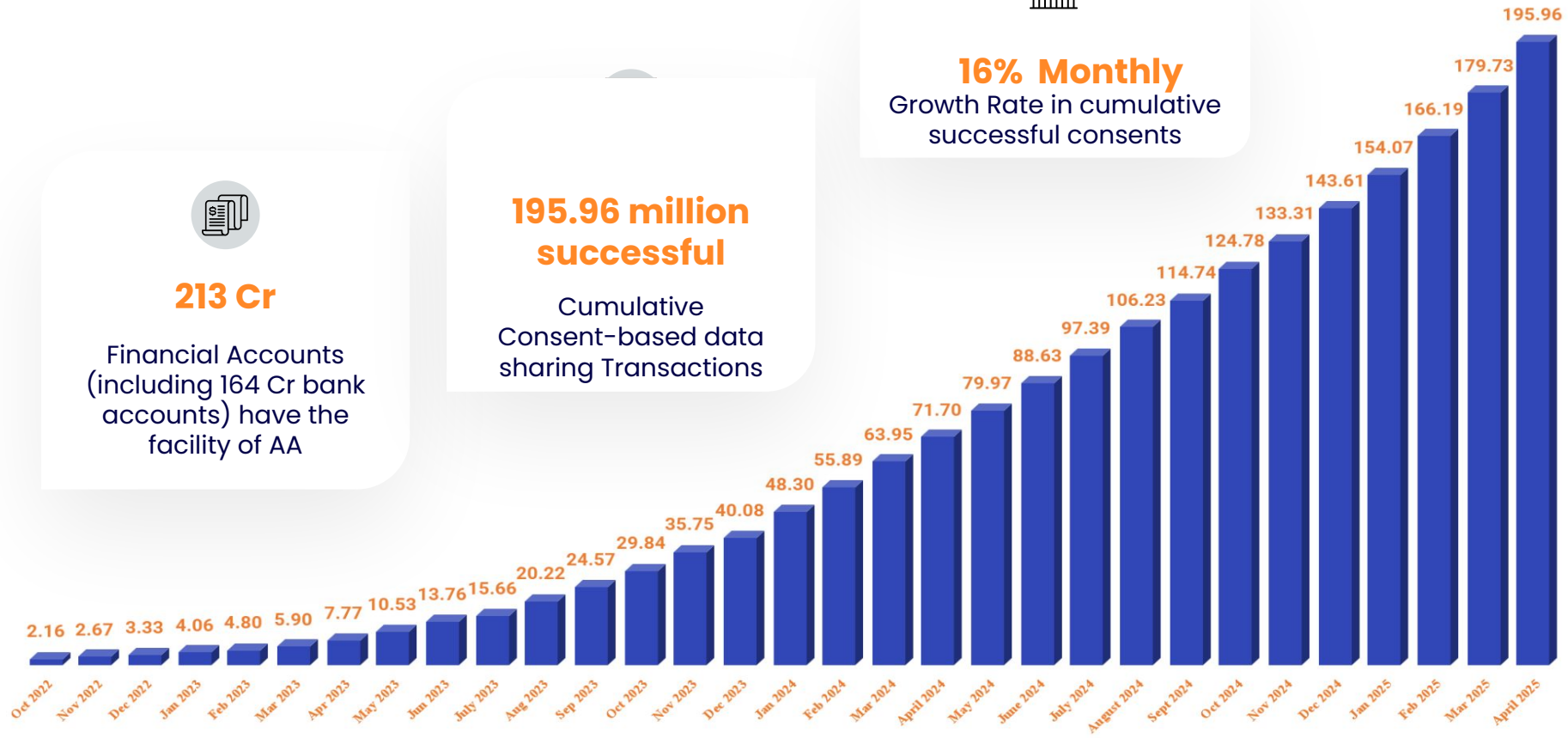# 195.96 Million Cumulative Successful Consents

213 Cr

Financial Accounts (including 164 Cr bank accounts) have the facility of AA

195.96 million successful

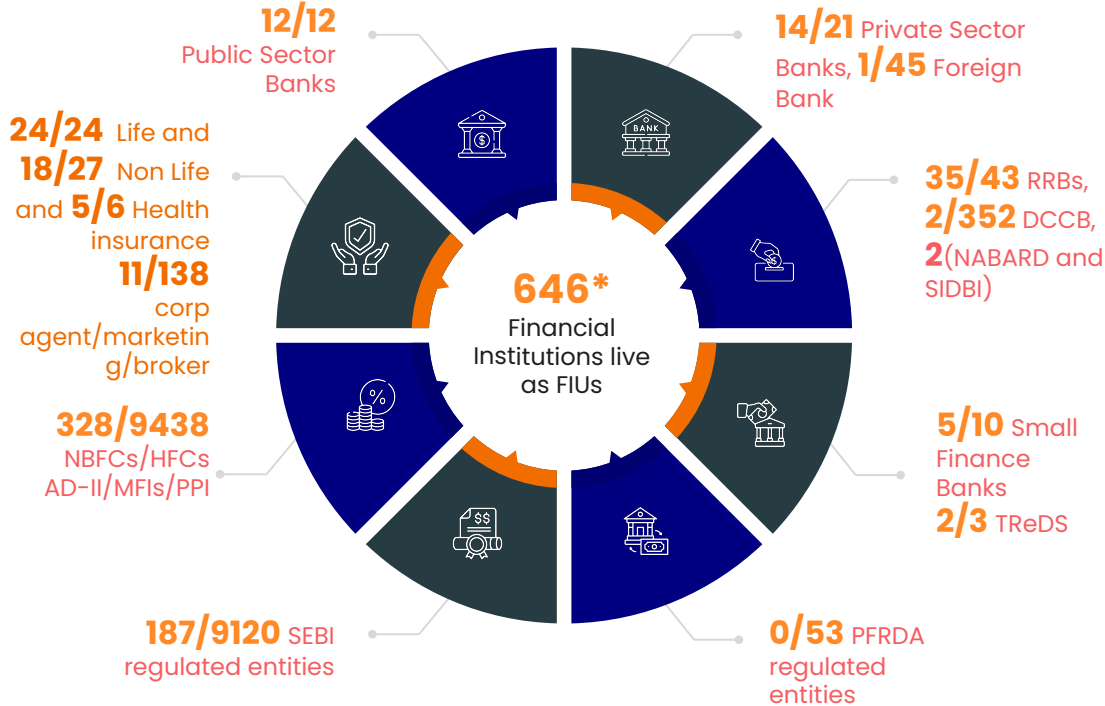Cumulative Consent-based data sharing Transactions

16% Monthly
Growth Rate in cumulative successful consents

Month	Value
Oct 2022	2.16
Nov 2022	2.67
Dec 2022	3.33
Jan 2023	4.06
Feb 2023	4.80
Mar 2023	5.90
Apr 2023	7.77
May 2023	10.53
Jun 2023	13.76
July 2023	15.66
Aug 2023	20.22
Sep 2023	24.57
Oct 2023	29.84
Nov 2023	35.75
Dec 2023	40.08
Jan 2024	48.30
Feb 2024	55.89
Mar 2024	63.95
April 2024	71.70
May 2024	79.97
June 2024	88.63
July 2024	97.39
August 2024	106.23
Sept 2024	114.74
Oct 2024	124.78
Nov 2024	133.31
Dec 2024	143.61
Jan 2025	154.07
Feb 2025	166.19
Mar 2025	179.73
April 2025	195.96

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AA has enabled impactful use cases across sectors-30th Apr'25

Majority of the large financial institutions are using the consent based framework!!

12/12 Public Sector Banks

24/24 Life and **18/27** Non Life and **5/6** Health insurance

11/138 corp agent/marketing/broker

328/9438 NBFCs/HFCs AD-II/MFIs/PPI

187/9120 SEBI regulated entities

646* Financial Institutions live as FIUs

14/21 Private Sector Banks, **1/45** Foreign Bank

35/43 RRBs, **2/352** DCCB, **2** (NABARD and SIDBI)

5/10 Small Finance Banks **2/3** TReDS

0/53 PFRDA regulated entities

13+ Use Cases/Purposes

- Loan Underwriting-PL, HL, Auto, CD, BL. LAP
- Personal Finance Management
- Enhanced KYC- Bank Account Verification
- Opening of Demat Accounts
- Underwriting of life insurance policies
- Wealth Management and Advisory Services
- Compliance Reporting
- Loan Monitoring- End Use, EWS, Limit Reset
- Loan Collections
- MSME Lending using GST
- Monitoring of Government Schemes
- Risk Monitoring of Vendors, Sourcing and Recovery Agents
- Self Use Consent on AA Apps
- Periodic review by Credit Rating Agency

Includes 526 financial institutions which are only FIU and 120 Financial Institutions which are both FIP and FIU

Role played by Sahamati in the AA Ecosystem

High Governance Standards

Responsible Innovation

Highly efficient cross sectoral network

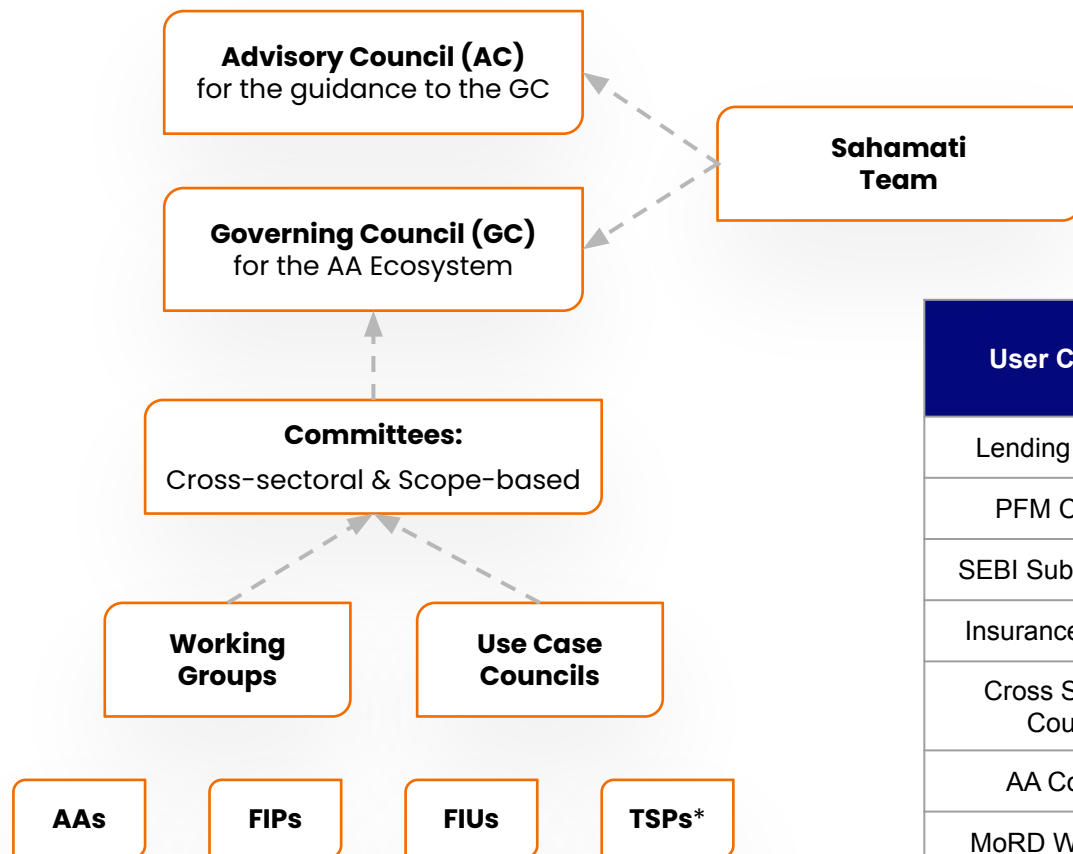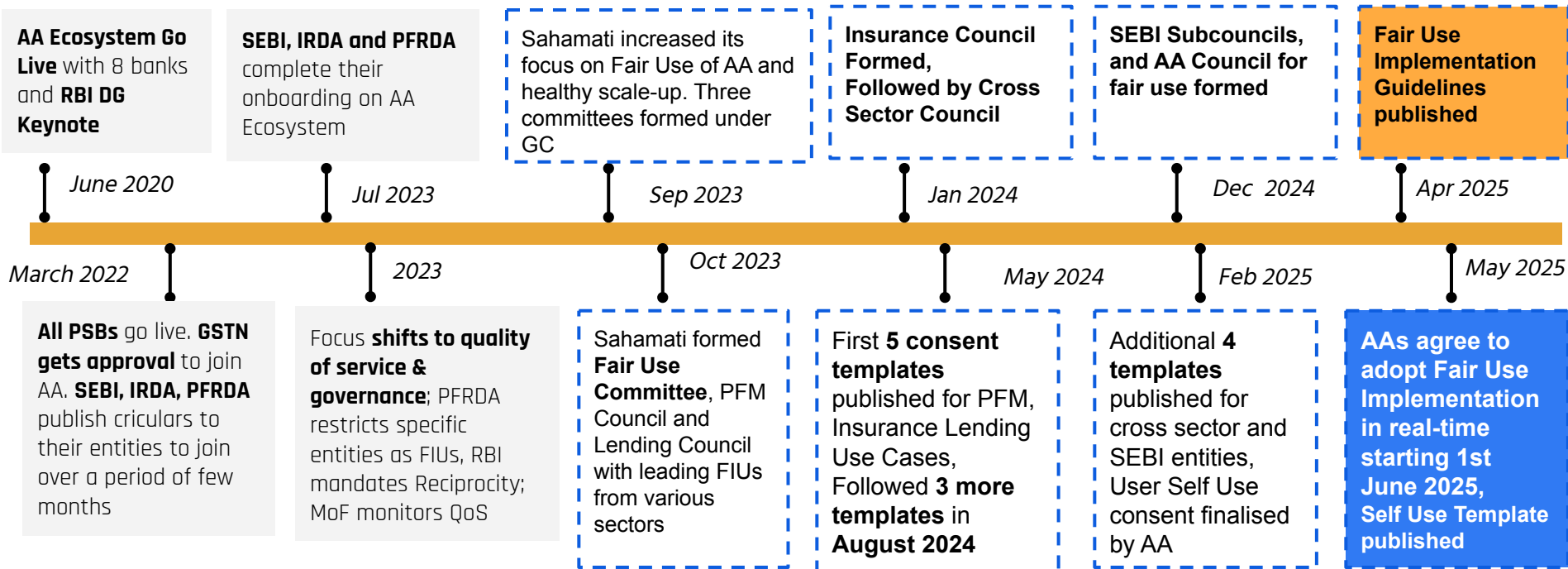|		
Ensure Fair Use of AA via self regulation	Drive Innovation and Financial Inclusion	Build Consumer Education and Awareness
Build High Quality of Service	Operate Shared Techno-Legal services for Interoperability	Define Standard Terms and Conditions for the Network via participatory governance

AA Ecosystem Participatory Governance Composition

Advisory Council (AC)
for the guidance to the GC

Governing Council (GC)
for the AA Ecosystem

Sahamati Team

Committees:
Cross-sectoral & Scope-based

Working Groups

Use Case Councils

AAs

FIPs

FIUs

TSPs*

User Council	Number of Participants	Templates finalised
Lending Council	25	4
PFM Council	17	3
SEBI Sub-Councils	20	2
Insurance Council	22	1
Cross Sectoral Council	16	1
AA Council	6	1
MoRD Workshop	MoRD and NABARD	1

Define. Detect. Deter: Tracing the Fair Use Implementation Timeline

AA Ecosystem Go Live with 8 banks and **RBI DG Keynote**

SEBI, IRDA and PFRDA complete their onboarding on AA Ecosystem

Sahamati increased its focus on Fair Use of AA and healthy scale-up. Three committees formed under GC

Insurance Council Formed, Followed by Cross Sector Council

SEBI Subcouncils, and AA Council for fair use formed

Fair Use Implementation Guidelines published

June 2020

Jul 2023

Sep 2023

Jan 2024

Dec 2024

Apr 2025

March 2022

2023

Oct 2023

May 2024

Feb 2025

May 2025

All PSBs go live. **GSTN gets approval** to join AA. **SEBI, IRDA, PFRDA** publish criculars to their entities to join over a period of few months

Focus **shifts to quality of service & governance**; PFRDA restricts specific entities as FIUs, RBI mandates Reciprocity; MoF monitors QoS

Sahamati formed **Fair Use Committee**, PFM Council and Lending Council with leading FIUs from various sectors

First **5 consent templates** published for PFM, Insurance Lending Use Cases, Followed **3 more templates** in **August 2024**

Additional **4 templates** published for cross sector and SEBI entities, User Self Use consent finalised by AA

AAs agree to adopt Fair Use Implementation in real-time starting 1st June 2025, Self Use Template published

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Fair Use Implementation – Roles & Responsibilities

FIUs - Primary Responsibility for implementation

- Responsible for implementing Fair Use Templates for their use cases.
- Implementation by FIUs reduces checker burden on AAs and FIPs.

AAs - First Level Checking of incoming consent requests

- Act as the primary checker of consent requests against Fair Use Templates.
- Responsible for educating and sensitising FIUs to implement Fair Use Templates
- Ensure deviant requests are identified on an automated basis
- Block deviant requests
- Share regular fair use progress reports to support ecosystem governance

FIPs - Second Level Checking of incoming consent requests (voluntary)

- Act as a second-level checker of consent requests.
- May develop mechanisms to identity deviant requests on an automated basis
- Block deviant requests
- Share regular fair use progress reports to support ecosystem governance

Understanding Fair Use Template Library

Fair Use Template Library – What is a fair use template?

A Fair Use Template refers to a set of outer bounds for the consent attributes (as defined by the ReBIT specs) of consent artefact that can be employed for a specific use case.

While few attributes, such as purpose code, consent type, fetch type, etc. are described in absolute terms, attributes that carry a value and unit are described as upper bounds.

✓ Community Asset

✓ Reference data points and upper limits for known use cases

✗ Are NOT Purpose Codes

✗ Are NOT suggested Use Case for any specific license

✗ Are NOT legal advice on Use Case for any license

Fair Use Template Library – Components of a Fair Use Template

Component	Description	Guidance for FIUs
Use Case Category	Defined by the relevant Use Case Council.	- Describes the exact activity for which the data is being accessed. - FIUs must ensure their usage align with FIU's regulatory charter.
Purpose Text	Standardised text to be displayed to customers for clarity and transparency.	- Must be used at a minimum by all FIUs to ensure consistency, customer trust, and ecosystem harmony. - FIUs may enhance the message to provide more context, but must not dilute or omit the core purpose text.
Purpose Code	Code mapped by Council to the existing ReBIT Purpose Code specifications.	- Must be correctly selected based on the defined use case template (e.g., 102 for CT008 personal finance).
Consent Type	Specifies data components being requested from customers: – Profile – Summary / Holdings – Transactions	- FIUs must request only the consent types permitted by the template; - FIUs may reduce scope, but not exceed the defined consent types.
Fetch Type	Defines how often data is pulled: – One-time – Periodic	- Must choose based on the template (e.g., periodic for PFM, one-time for loan underwriting).

Fair Use Template Library – Components of a Fair Use Template

Component	Description	Guidance for FIUs
FI Type	Lists the categories of financial information (e.g., savings accounts, mutual funds, insurance policies) that may be accessed under the template	- FIUs must ensure that data is requested only from the permitted FI types under the selected use case template.
Frequency	Specifies upper limit on data fetch frequency within the validity period. Unit: per day / per month / per year	- Specifies the upper bound on data fetch frequency within the validity period. - FIUs may choose a lower frequency based on actual need. - Use calendar-based time units.
Validity Period	Maximum duration for which the consent artefact remains valid.	ReBIT requires Start and Expiry dates to be shown. - FIUs must ensure duration stays within the upper limit set by the template.
Maximum FI Data Range	Time range of financial data that may be pulled in each FI data request.	Example: If maximum range is 6 months, and the consent is valid from 7 Jun 2024 to 7 Jun 2025, a request on 15 Jun 2024 can fetch data from 15 Dec 2023 to 15 Jun 2024.
		In the Consent Request, the displayed FI Data Range = Consent Start Date – Max FI Data Range → Consent Expiry Date. E.g., 7 Dec 2023 – 7 Jun 2025 in the above example.

Fair Use Template Library – Example for FI Data Range

- **Maximum FI Data Range:** This is the maximum period for which data can be requested in the FI Data range field in a **FI Data Request**.
- When displaying the FI Data Range in a Consent Request to the customer, the FIU will indicate the period from the consent start date minus the maximum FI data range to the consent expiry date.

Let's take an example -

- **Consent Start Date:** 7th June 2024
- **Consent Expiry Date:** 7th June 2025
- **Maximum FI Data Range:** 6 months

In this case, the FIU can fetch up to 6 months of data at once in a FI Data Request. On 15th June 2024, it can pull statements from 15th December 2023 to 15th June 2024.

FI Data Range in Consent Request: 7th December 2023 to 7th June 2025

Fair Use Template Library – Example - CT001 - Loan Underwriting

Consent Details (Attributes)	Values (as agreed in the Council
Purpose Text	**As agreed by FIUs to show to the customer:** To process borrower's <loan / credit card / credit line> application
	As per ReBIT: Aggregated Statement
Purpose Code	103
Purpose Code Category Name	Financial Reporting
FI Types	DEPOSIT, TERM_DEPOSIT, RECURRING_DEPOSIT, SIP, EQUITIES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT, LIFE_INSURANCE, GENERAL_INSURANCE, NPS, GSTR1_3B
Consent Types	Profile, Summary, Transactions
Fetch-type	One-Time
Maximum Frequency	NA
Maximum FI Data Range	14 months
Maximum Consent Validity	1 Month
Maximum Data Life	1 Month

Fair Use Template Library – Published Templates

ReBIT Purpose Codes	Consent Templates using the ReBIT Purpose Codes	Frequency
101 - Wealth Management Services	CT004 - Wealth Management Services	Periodic
102 - Customer spending patterns, budget, or other reporting	CT008 - Personal Finance Management	Periodic
	CT019 - Self Use consent on AA Apps	Periodic
103 - Aggregated statement	CT001 - Loan Underwriting	One-Time
	CT006 - Income Verification	One-Time
104 - Explicit consent for monitoring of the accounts	CT003 - Loan Monitoring	Periodic
	CT035 - Loan Collections	Periodic
	CT042 - Monitoring Agents/Vendors	Periodic
	CT043 - SEBI Compliance Reporting	Periodic
	CT046 - Government schemes	Periodic
105 - Explicit one-time consent for the accounts	CT040 - Financial Account Verification	Periodic
	CT010 - FNO Services Activation	One-Time
	CT045 - Employee, Vendor etc Risk Profiling	One-Time

Fair Use Template Library – Templates in discussion

ReBIT Purpose Codes	Consent Templates using the ReBIT Purpose Codes	Frequency
104 - Explicit consent for monitoring of the accounts	CT011 - e-nach / debit mandate presentation	Periodic
	CT035 - Periodic review by Credit rating agencies	Periodic
	CT044 - Dissemination of Research reports	Periodic

Fair Use Template Library – Disclaimer on the templates

- The parameters in each Fair Use Template represent **upper bounds**, as defined by the relevant Use Case Councils.
  - These are **not mandatory ceilings**, but **outer limits** to guide responsible data usage.

- These templates are intended as **reference standards**, not **legal advice**. All participants must ensure their use cases are aligned with applicable laws and regulations, including:
  - RBI Master Directions on NBFC-AA
  - Digital Personal Data Protection (DPDP) Act
  - Regulations and bylaws relevant to their license

- **Sahamati will continue to update the template library** as the ecosystem evolves—
  - New templates may be added based on Council recommendations
  - Existing templates may be revised in line with statutory and regulatory developments

Fair Use Guidelines Implementation by FIUs

Fair Use Template Guidelines – What are these guidelines?

The **Fair Use Guidelines** are a **reference framework** published to guide all ecosystem participants on responsible and aligned data usage.

Component	Description	Applicability
Fair Use Policy	Template library defining upper bounds for consent attributes for different use cases.	FIUs – for configuring Consent Requests and FI Requests AAs, FIPs - for checking incoming requests
Validation Rules	Reference logic to check adherence to templates (e.g., Consent and FI Request boundaries).	AAs, FIPs – can adapt or extend to validate incoming Consent and FI Requests
Validation Process	Suggested flow to detect and reject deviations (e.g., 412 errors).	AAs, FIPs – baseline process; can be enhanced further as per internal API configurations

- Adherence to Fair Use Policy is the end goal
- FIUs, FIPs, and AAs are expected to implement the minimum of above guidelines based on their roles.
- Validation rules and processes are not prescriptive, but serve as a common baseline for ecosystem alignment.

Fair Use Template Guidelines – What these guidelines are NOT?

- ❌ **Not a mapping of use cases to FIUs**
  FIUs must determine applicable use cases based on their own regulatory charter.

- ❌ **Not a compliance mandate**
  The guidelines are a **reference framework**—not a regulatory requirement or ReBIT technical specifications or restrictions.

- ❌ **Not a one-size-fits-all validation mechanism**
  AAs and FIPs must adapt or extend validation rules and processes based on internal architecture and workflows to ensure fair use policy is met.

- ❌ **Not a restrictive ceiling**
  Fair Use Policy (Templates) defines upper bounds. FIUs are free to **use less**, but **not exceed** what is specified.

- ❌ **Not fixed or final**
  The fair use policy (template library) will evolve. FIUs can propose new templates via Sahamati for council review.

Fair Use Template Guidelines – How can FIUs implement fair use?

- **Identify Your Use Case**
  - Based on your product and business activities E.g., underwriting, PFM, loan servicing
  - Consult your legal and compliance team to ensure alignment with your regulatory charter
  - *Sahamati does not validate use case applicability*
- **Choose a Relevant Template**
  - Refer to the **Fair Use Template Library**
  - 13 templates available; more in pipeline (e.g., for CRAs, research analysts)
  - Select the template that suits your requirement.
- **Configure Consent request attributes within Upper Bounds of template**
  - Templates define **maximum permissible values**
  - FIUs may request **less**, but not **more**
  - Design consent and FI requests carefully to prevent rejections
- **Declare Fair Use Template ID & Use Case to AAs**
  - AAs will validate:
    - Consent artefact parameters
    - FI request (data range, frequency, etc.)

  - Misalignment will result in **HTTP 412 error, make necessary corrections**

Fair Use Template Guidelines – What if ?

- **What Happens if There's No Template Yet?**

    - FIUs can still proceed by proposing a new template, AAs treat exceptions

    - FIUs submit a proposal for inclusion of the use case via a form to Sahamati

    - Sahamati converts it into a draft template and places it for Council review

    - Once approved, it is added to the fair use template library

- **What Happens If You Deviate?**

    - AA will **reject** the consent or FI request with a **412 error**

    - Even if AAs pass the deviant request **FIPs may reject with 412 error**

    - All deviations are **logged** and overall percentage of **deviation is reported** to Sahamati and the ecosystem

    - **Impacts operational efficiency and reputational standing of FIUs**

Thank You!

Sahamati