

Fair Use Explained

- Understanding Process Based (B2B) Templates and Guardrails

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A smiling woman in a saree is working in a warehouse, surrounded by stacks of goods. The image is overlaid with a semi-transparent blue and orange geometric design.

Agenda

- ❖ Introduction to Fair Use Framework
- ❖ Fair Use Templates for B2B use cases
- ❖ **What do these templates and guardrails mean?**
 - One Consent One Purpose
 - Consent is voluntary not revocable
 - Dos and Don'ts of Recurring Consents
 - Relevant Codes of Conduct
 - Best Practices Recommended
- ❖ Q&A

DISCLAIMER



- **This session is not about how to set-up business processes** for any of the use cases mentioned during the webinar. It is about how those activities must be structured when you **use the AA rails for accessing customer / individual data.**
- This session **does not prescribe processes to be adopted, or business model,** but focuses on **how consents and data usage must align with Fair Use templates and guardrails.**
- This session is **not a substitute for, or proxy to,** regulatory or compliance approvals within each Regulated Entity, wherever applicable.
 - *Sahamati does not give recommendations or suggestions on the Use Cases and their fitment under any License.*
 - *Each FIU must check with their compliance team on the applicability of the use case under their own charter.*
- **Feedback on templates and guardrails is welcome;** however, **feedback related to FIP performance will not be covered in this session.**
 - *For FIP related queries, please write to **info@sahamati.org.in**, and the team will guide you to the appropriate forum.*
- **Q&A will be taken at the end of the session.**

POLL #1

Which of the below best describes your role?

- A. Business or Process Operations
- B. Tech Operations
- C. Compliance & Risk
- D. Legal & Regulatory
- E. Technology & Engineering - (Data User)
- F. Tech Service Provider (TSP)
- G. Product Management
- H. Others

Scan below to participate





Fair Use Explained!

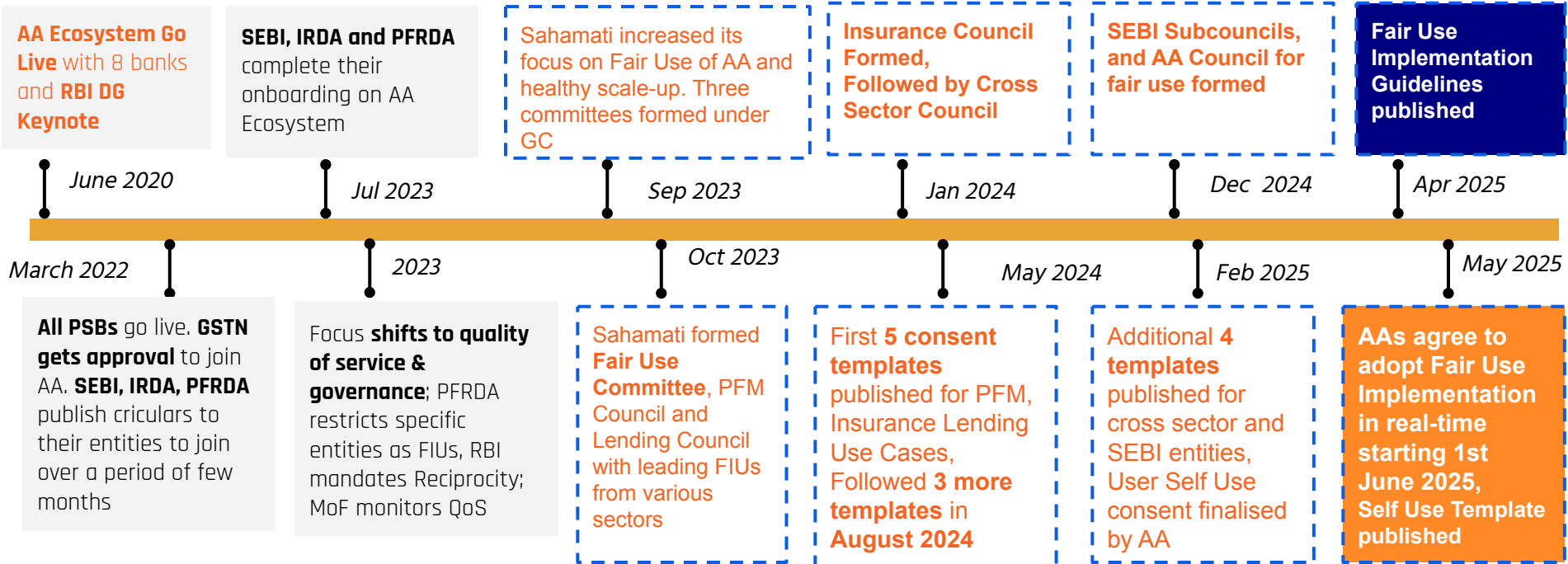
Introduction to Fair Use Framework



Role played by Sahamati in the AA Ecosystem



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



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 identify deviant requests on an automated basis
- Block deviant requests
- Share regular fair use progress reports to support ecosystem governance

Fair Use Template – What is it and how to use it?



A Fair Use Template defines the **upper bounds** for consent attributes for a specific use case.

- The purpose code associated with a template is fixed, while all other consent attributes represent maximum permissible limits.
- FIUs are expected to select values that are **lower than or equal to these limits** based on their actual use case.
- Using the maximum values in the template is **not mandatory** to meet **YOUR data minimisation requirements**.



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



Are NOT mandatory consent attributes for an use case

POLL #2

Have you referred to Sahamati's fair use templates while setting automated data collection process for your business?

- A. No, not familiar with Fair Use template
- B. Yes, familiar with Fair Use Templates but not implemented
- C. Yes, familiar with Fair Use Template and implemented
- D. We are still figuring this out

Scan below to participate



A smiling woman in a saree is working in a factory setting, with a blue and orange geometric overlay. The woman is wearing a yellow and orange saree and has a bindi on her forehead. She is looking towards the camera with a warm smile. The background shows shelves filled with boxes, suggesting a warehouse or factory environment. The image is overlaid with a blue and orange geometric pattern.

Fair Use Explained!

Process based (B2B) Templates



What do we mean by **Process based (B2B) templates**?

- Secure data sharing in the AA may **not limited to customer-facing use cases** (like lending or personal finance).
- Many **regulatory and business processes** require access to financial data for:
 - Internal **reporting**
 - **Compliance** and regulatory obligations
 - **Risk monitoring and validation**

These use cases are typically:

- **Institution-driven (B2B)** rather than customer-initiated
- Anchored in **regulatory or operational requirements**
- **Convenient for individuals or businesses to share their data securely**

Process-based (B2B) fair use templates are built for use cases that may or may not be used only for **customer-facing services**, but also for **internal, regulatory, and operational processes** of Regulated Entities (FIUs).

Process based (B2B) templates

Who can use these templates?

- Any FIU that has the **regulatory charter / mandate** to collect financial data for the specific use case
- Any FIU that is **required under applicable regulations** to perform such verification, reporting, or compliance activity
- These templates are intended for **authorized institutional use within regulatory boundaries**

Note: Sahamati does not recommend or determine use case fitment for any FIU.



Process based (B2B) templates

Fair Use Template IDs	Consent Type	Purpose Code	Use Case Category	Council Remarks / Coverage
CT040	One-Time	105	Cross Validation of Accounts	A generic template for any FIU requiring cross verification of account as per their license regulations
CT045	One-Time	105	One-Time verification of financial condition	A generic template for any FIU to review complete financial condition of individuals
CT042	Periodic	104	Counterparty risk Monitoring	To monitor the counterparty risks of Recovery Agents / Sourcing Partners / Employees.
CT043	Periodic	104	Compliance Reporting of Employees	Designed for all entities covered under SEBI PIT Regulations
CT046	Periodic	104	Government Scheme beneficiary monitoring	Designed to measure the efficacy and impact of government schemes



[Click to view Fair Use Template Library](#)

Fair Use Template CT040 - Cross Validation of Accounts



Consent Details (Attributes) Values		Rationale
Purpose Text - As agreed by in council:	To verify (financial account type) account details for (activity/product)	“cross validate” might be difficult for customers to comprehend
Purpose Code	105	Explicit one time consent as per ReBIT
FI Types	DEPOSIT, GSTR_1B, LIFE_INSURANCE, GENERAL_INSURANCE	Cross validation can be done against Bank Statement, Insurance Policy or GSTN Records. Council Members insisted that only one financial account be allowed for this use case, in order to maintain single source of truth.
Consent Types	Profile, Summary	Summary Consent can be requested by FIUs for use cases where the regulator mandates verification that an account has a certain balance. This consent type is useful in situations where the FIU needs to confirm that the account holder has a minimum required balance, ensuring the authenticity and credibility of the account information provided.
Fetch-type	One-time	Consent is taken only to verify the bank account for one time
Maximum Frequency	NA	NA
Maximum FI Data Range	1 Day	Data range of 1 day is applicable only in case of use cases which require summary.
Maximum Consent Validity	1 Day	Based on average time required to pull the information for bank verification
Maximum Data Life	1 Day	Based on average time required to process the data received for the said use case

 [Click to view template with rationale](#)

Fair Use Template CT045 - One time verification of financial condition



Consent Details (Attributes) Values	Rationale
Purpose Text - As agreed by in council: Verification of financial condition of {Employees, Vendors and other third parties)	To ensure that both the vendor or the individual providing consent are aware of the purpose for which the consent is being requested.
Purpose Code 105	Explicit one time consent as per ReBIT
FI Types DEPOSITS, GSTR_1B, LIFE_INSURANCE, GENERAL_INSURANCE GST, Insurance, EQUITIES, MUTUAL FUNDS	Employees are required to declare their investment details during onboarding stage. GST and other investment details is required for vendors to verify the turnover and financial stability.
Consent Types Profile, Summary, Transactions	Based on the current due diligence practice by FIUS
Fetch-type One-time	One time check during onboarding
Maximum Frequency NA	NA
Maximum FI Data Range 12 Months	To have a complete view of business cycle in case of vendor, or employees
Maximum Consent Validity 1 Day	Implementing partner will run a rule on an instant basis and derive outputs
Maximum Data Life 1 Day	Implementing partner will run a rule on an instant basis and derive outputs

 [Click to view template with rationale](#)

Cross Validation and One-time Financial Condition - Dos and Donts

DOs

- Use the templates only where there is a clear regulatory or operational **need to verify account details or check financial condition.**
- Obtain **explicit consent** before requesting any financial data.
- **Limit Cross Validation request to a single account** to avoid mismatched verification records.
- **Restrict data access** only to authorized Risk, Compliance, or Audit teams.
- Set up policy and process for **data retention and purge** and follow them strictly





DONTs

- Do not use the template for **general or repeated** data collection.
- Do not request consent / data **without a documented** business purpose.
- Do not collect **more data** than is required for verification.
- Do not share the data **outside the designated internal teams**.
- Do not use the data for any purpose beyond the original consented process.



Fair Use Template CT042 - Risk Monitoring of Recovery Agents/ Sourcing Partners/ Employees



Consent Details (Attributes)	Values	Rationale
Purpose Text - As agreed by in council:	To monitor the counterparty risks of Recovery Agents / Sourcing Partners / Employees.	NBFC and Banks, have regulatory requirement to monitor their agents and partners for operational and other counterparty risks. Employees of regulated institutions are required to disclose their financial transactins under regulations, especially for commerical banks.
Purpose Code	104	Continuous monitoring purpose code as per ReBIT
FI Types	DEPOSIT, GSTR_1B	Based on Regulations for Audit/review of the Partners/Agents
Consent Types	Profile, Summary, Transaction	Based on Regulations for Audit/review of the Partners/Agents
Fetch-type	Periodic	Based on regulations, Agents/Collection agencies are reviewed periodically.
Maximum Frequency	1 per month	Based on current usage - agents and collection are reviewed periodically
Maximum FI Data Range	6 months	Based on typical range of data / transactions that are needed by the FIU to verify and understand the business of the partners
Maximum Consent Validity	1 Year	Council agreed that the validity of the consent to be co-terminous with the agreement. Based on the average terms of the collection agents, this limit was considered fair by the Council.
Maximum Data Life	90 Days	Based on the average monitoring period, to review the history of collections

Fair Use Template CT043 - Compliance Reporting by Employees



Consent Details (Attributes)	Values	Rationale
Purpose Text - As agreed by in council:	To enable regulatory and internal compliance reporting of investment by employees and associated persons	To cover various Employees and Associated Persons who are required to comply with the self-declaration of investment data to the Regulated Entity as applicable under PIT and relevant regulations.
Purpose Code	105	Purpose Code for monitoring accounts
FI Types	SIP, EQUITIES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT	Considers the known use cases of monitoring the Holdings or Portfolio information so other FI Types have not been included.
Consent Types	Profile, Summary, Transactions	Requires all types of data for review.
Fetch-type	Periodic	Consent is taken only to verify the bank account for one time
Maximum Frequency	25 per month	22 working days, (and buffer of 3 days for technical failures) to cater for the requirements under Clause 16 (2) Research Analyst Regulation, 2014
Maximum FI Data Range	6 months	Based on Clause 10 of Schedule B of PIT Regulations, 2015, SEBI
Maximum Consent Validity	1 Year	Usually employees have to self declare at the beginning of the year and at the end of year, since employee tenure is not know, it is found feasible to take the consent at the beginning of each financial year
Maximum Data Life	7 Days	Based on average time required to process the data received for the said use case

 [Click to view template with rationale](#)

Fair Use Template CT046 - Government Scheme Beneficiary Reporting



Consent Details (Attributes)	Values	Rationale
Purpose Text - As agreed by in council:	To verify income and job continuity of beneficiaries of government schemes	To ensure the beneficiary understands the reason for sharing data with government agencies
Purpose Code	104	In line with ReBIT purpose codes
FI Types	DEPOSIT	Data sharing of only one bank account that has been provided for Salary verification by the beneficiary
Consent Types	Profile, Summary, Transactions	Profile and Summary added to confirm the beneficiary, and transactions to monitor the credit of salary as per the program.
Fetch-type	Periodic	Monitoring of salary is required for a certain period post completion of the program.
Maximum Frequency	3 per month	It is necessary to track salary credits, and in cases where salaries are not credited within the designated date, a retry process should be initiated
Maximum FI Data Range	1 Month	Salary credits need to be monitored on a monthly basis.
Maximum Consent Validity	18 Month	Monitoring of employment status and verification of salary of trainee for the period of 18months as per discussion with MoRD
Maximum Data Life	1 Day	The data received would be validated the same day of data is recieved

 [Click to view template with rationale](#)



Fair Use Explained!

What do these templates and guardrails mean?



Guardrails and Codes of Conduct - for recurring consents

Code	Summary of the Code	Rationale (Why this matters)
CC020	FIUs must not repeat the same data request to Depositories/RTAs within a calendar day if already successfully received	Avoids redundant requests, reduces system load, and limits unnecessary data exposure
CC020	FIUs must seek separate consent for each purpose	Specificity of purpose, One Purpose One Consent principle
CC030	FIUs may fetch only incremental data in case of subsequent data pulls under recurring consents	Promotes data minimisation and responsible data usage
CC031	FI date range must be clearly classified for SEBI and Non-SEBI FI Types in the consent notice	Improves customer understanding and transparency at the point of consent
CC032	Overriding consent on top of AA-obtained data is not permitted	Preserves consent integrity and prevents scope overreach
CC034	Technical guardrails defined for FIUs using CT040 (Bank Account Verification) - only One Account is used for cross validation	Ensures the use case is not misused beyond its intended verification purpose

Why so many templates? **One Consent One Purpose**

The AA Framework has adopted **One Purpose, One Consent principle**, as codified in the Common Code of Conduct for Sahamati Members (CC026):

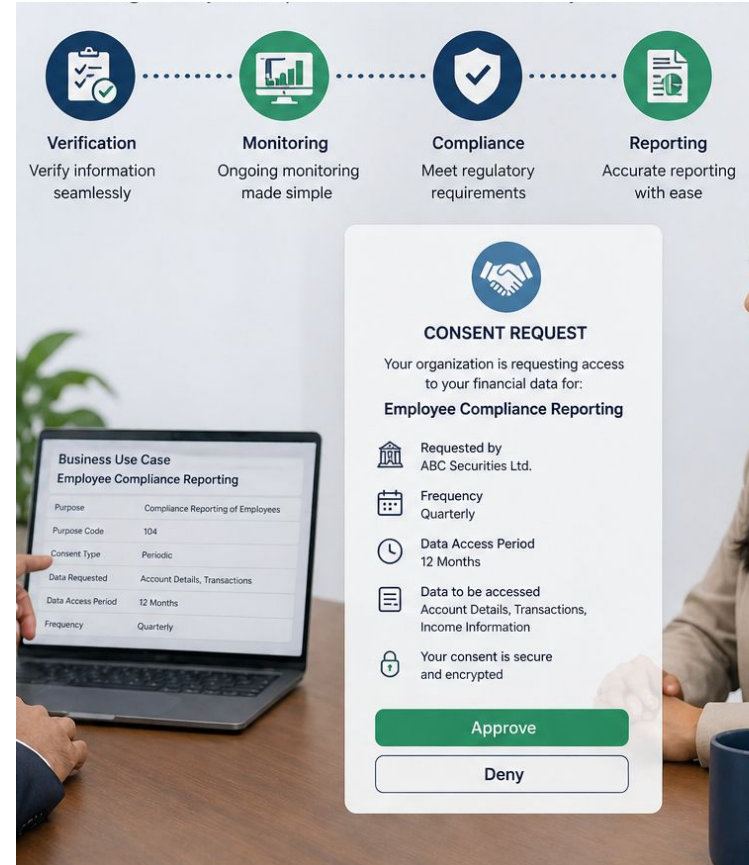
- **Purpose-Specific Consent:** A consent artefact must map to a single, clearly defined purpose
- **Clear Customer Understanding:** The purpose of the consent must reflect explicitly what the customer has agreed to, how their data will be used for that one defined purpose, avoiding ambiguity.
- **Avoiding Purpose Expansion:** Using a single consent for multiple activities would expand the original purpose and allow access beyond the customer's intended data sharing requirement.



Do's and Don'ts recommended for Process (B2B) Consents

DOs

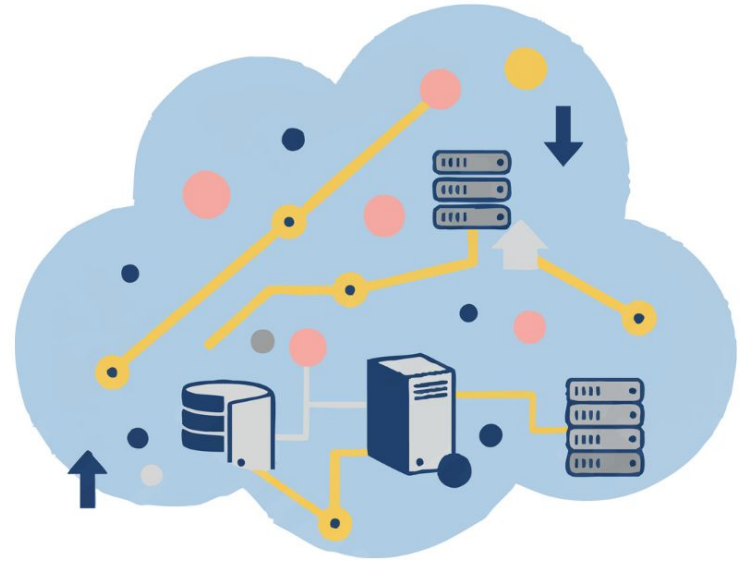
- Use the templates only for where regulations require you to seek financial statement or holdings information from employees, partners and authorised persons..
- Obtain **explicit and informed consent** before initiating any periodic or repeated monitoring activity.
- **Restrict the pull as per your internal policy keeping data minimisation in mind.**
- Use data strictly for defined purposes (e.g., compliance, conduct, or operational risk review) and set policies on data access, retention and purge accordingly



Do's and Don'ts recommended for Process (B2B) Consents

DON'Ts

- Do not treat these templates as **surveillance tool** - Consent is revocable
- Do not use of these templates for relationships / agreements where **financial position or counterparty risk is not being assessed**.
- Do not make consent **the only** or forced mechanism for data sharing, ensure it **remains voluntary and revocable**, without coercion or dependency.
- Do not use **data across divisions** or outside the scope permitted under applicable regulations.
- Do not provide unrestricted or routine access to audit/compliance teams unless there are defined deviations or regulatory triggers requiring review.



POLL #3

How confident are you now about selecting the right Fair Use Template for your B2B workflow?

- A. Very confident — I know exactly which template applies
- B. Fairly confident — I have a clearer picture but have follow-up questions
- C. Somewhat confident — I need to explore this further with my team
- D. Not yet confident — I would like more guidance from Sahamati

Scan below to participate



A smiling woman in a saree is working in a shop, with a blue and orange geometric overlay. The woman is wearing a red and orange saree and has a bindi on her forehead. She is looking towards the camera with a warm smile. The background shows shelves with various items, possibly in a grocery or food store. The image is overlaid with a semi-transparent blue and orange geometric pattern.

Thank you!

If you have any questions reach out to us at fairuse@sahamati.org.in



AA Journeys

Common UI/UX points to note in Lending-AA Journeys

To ensure Consent Screens enable **Informed and Explicit Customer Consent**



Consent Screen must have Key Consent Attributes for **Informed Consent**

Consent Screen must have Accept and Reject button for Affirmative action and **Explicit Consent**



←

Enter OTP to link bank account

Sent by Pirimid FinTech to +91 XXXXXXXXXX

1234

[Resend OTP](#)

Powered by

I authorize XXXXX to access my XXXXX XXXXXX account ending in XXXXe6fd to retrieve my last 6 month(s) bank statements for the purpose of Explicit one-time consent for the accounts. Data will be fetched one time and remains active for 1 month(s).

Submit and activate



Approve Consent

A/c No XXXXXXXX
DEFAULT

A/c No XXXXXXXX
SAVINGS

A/c No XXXXXXXX
DEFAULT

[Link Another Account](#)

Consent Details

Statement Period	04 Jan 24 - 04 Jul 24
Purpose	Explicit One Time Consent For The Accounts
Frequency	Once
Consent Validity	04 Jul 24 - 03 Aug 24
Data deleted before	30 day(s)
Account types	Deposit

Powered By

I hereby authorise XXXXX XXXXXXXX Private Limited to fetch my transaction details.

Reject **Approve**

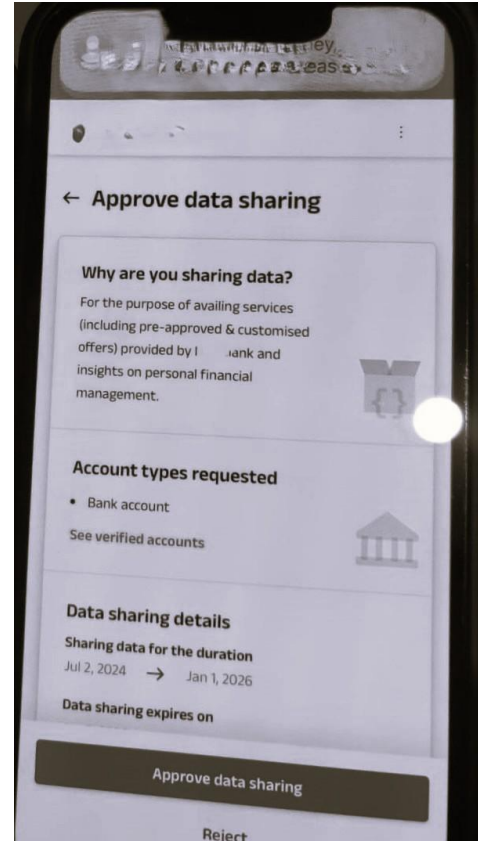
To ensure Consent Screens enable **Informed and Explicit Customer Consent**



X

One Consent One Purpose

Separate consents must be sought for two different use cases instead of merging or bundling into one consent



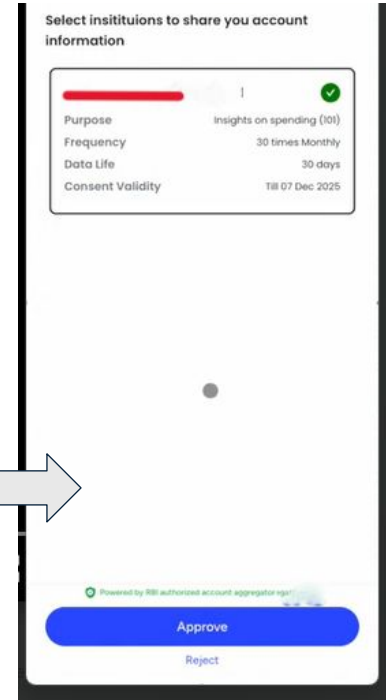
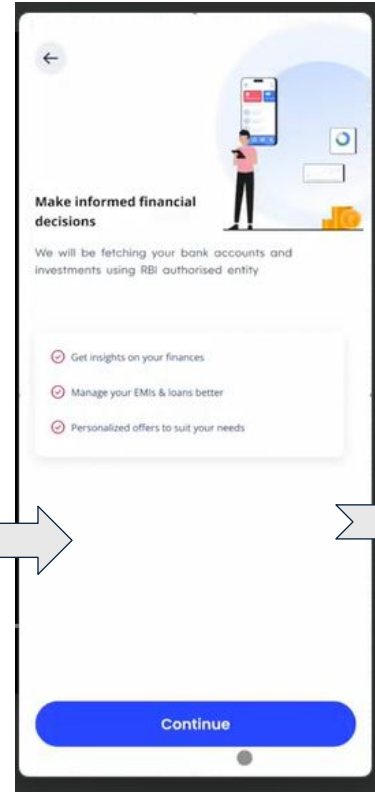
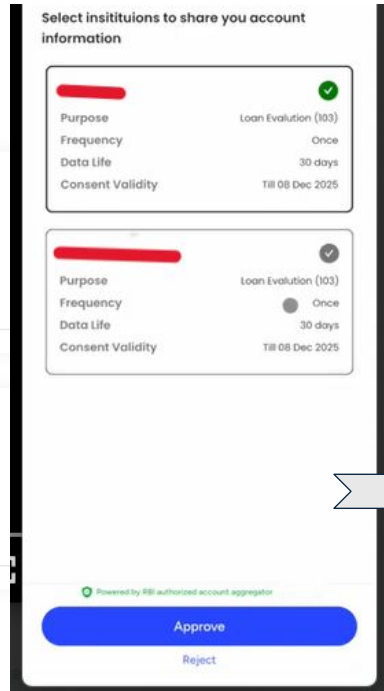
MUST not solicit FIU business within AA Journeys or Override AA Consents



X

AA screens are **not for solicitation** of business for FIUs

FIUs **must not** offer new use cases within the AA journey or add conditions in product journey that override the AA consents



MUST have an option to accept or reject AA Consents



Auto-approval or default acceptance is not permitted.

The CTA for accept and reject should be labelled clearly.

