

Biz correspondents to undergo digital audit, fresh training

Audit envisages banks using tech like video interviews, transaction-based controls

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Business correspondents in India, numbering more than 2.5 million, will have their work digitally audited, and will also get training and certification, according to sources.

This will be the first audit of its kind in almost two decades.

A working committee is likely to be formed to do the job, and will be headed by one of the managing directors of State Bank of India (SBI). It will have members from Yes Bank as well as the Business Correspondents Federation of India (BCFI).

The matter was discussed at a recent meeting held at the Department of Financial Services (DFS) with the BCFI.

Sources said the digital audit and monitoring would replace “periodic physical audit”, mandated by the Reserve Bank of India.

The new audit envisages banks using digital technologies like video-based interviews, geo-tagging technology, and transaction-based controls. Digitally controlled sample audits of a desired percentage of BCs are to be conducted with the help of banks and corporate BCs.

Simpler training and certification for BCs that predominantly do Aadhaar-enabled payments system (AePs) cash-out and money-transfer services are being considered.

A sachetised, modular, and service-specific approach will be put in place for low-end services.

For BCs offering a larger bouquet of services, the Indian Institute of Banking and Finance’s structured basic and advanced level of certification will continue.

Other issues that figured at the DFS meeting were penalties imposed on BCs by banks and the hefty amounts banks charge as security deposits — ranging between ₹50 lakh and ₹1.8 crore — for 1,000 kiosk points.

Establishing an infrastructure and equity fund for corporate BCs was suggested — with the option of tapping the National Bank for Agriculture and Rural Development

UPGRADE ON THE CARDS

■ Digital audit and monitoring of BCs to replace RBI-mandated periodic physical audit

■ BC training and certification to be based on level of services being offered

■ Those offering larger bouquet will have to take IIBF’s advanced level of certification test

■ BCs have raised concerns about channel’s viability with FinMin, warning of its increasing unfeasibility



and the RBI Payments Infrastructure Development Fund later.

BCs recently brought to the notice of the Ministry of Finance the viability of the BC channel, warning that it was becoming increasingly unfeasible.

In November last year, the BCRC had raised these concerns during a meeting with Minister of State for Finance Pankaj Chaudhary. The meeting revisited what had been highlighted by the working group set up under C S Setty, then managing director and now chairman of SBI. The group submitted its report in December 2022.