

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5010
ANSWERED ON:26.04.2002
DIGITAL SIGNATURE IN BANKING AND BUSINESS TRANSACTION
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Will the Minister of FINANCE be pleased to state:

- (a) whether there is any proposal to enforce digital signatures in banking and business transaction ;
- (b) if so, the time by which it is likely to be enforced ;
- (c) the extent to which this facility is likely to be beneficial to the computer and internet users; and
- (d) the measures taken to make this system secured ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) and (b) Digital Signatures would be part of electronic messages transmitted between banks as part of the Indian Financial Network (INFINET). Following the precincts of the Information Technology Act, 2000, these would be generally applicable to financial messages exchanged over the INFINET and wherever data relating to funds in an electronic/magnetic medium exists.

The institute for Development and Research in Banking Technology (IDRBT) would commence functioning as the Certification Authority once it is approved by the Controller of Certification Authorities of the Government of India.

(c) This would be beneficial for banks/financial institutions which transmit funds based messages electronically. As far as internet based computer users are concerned they have to make use of digital signatures provided by other certification agencies.

(d) For the INFINET, security would be part of the Structured Financial Messaging Solution (SFMS) of the IDRBT, such provision would match international standards.