



Controller of Certifying Authorities

Certifying Authorities Meeting

20-Dec-2022

Information Technology Act, 2000

- IT Act 2000 provides legal framework for creating trust in electronic environment
- The Information Technology Act was enacted on 9th June 2000 and subsequently amended in 2008
- The main purpose of the Act is to facilitate e-Commerce and e-Governance in the country and provide a legal framework for recognition of electronic records and digital signatures
- Acceptance of electronic documents as evidence in a court of law.
- Acceptance of electronic signatures at par with handwritten signatures.

Function of CCA

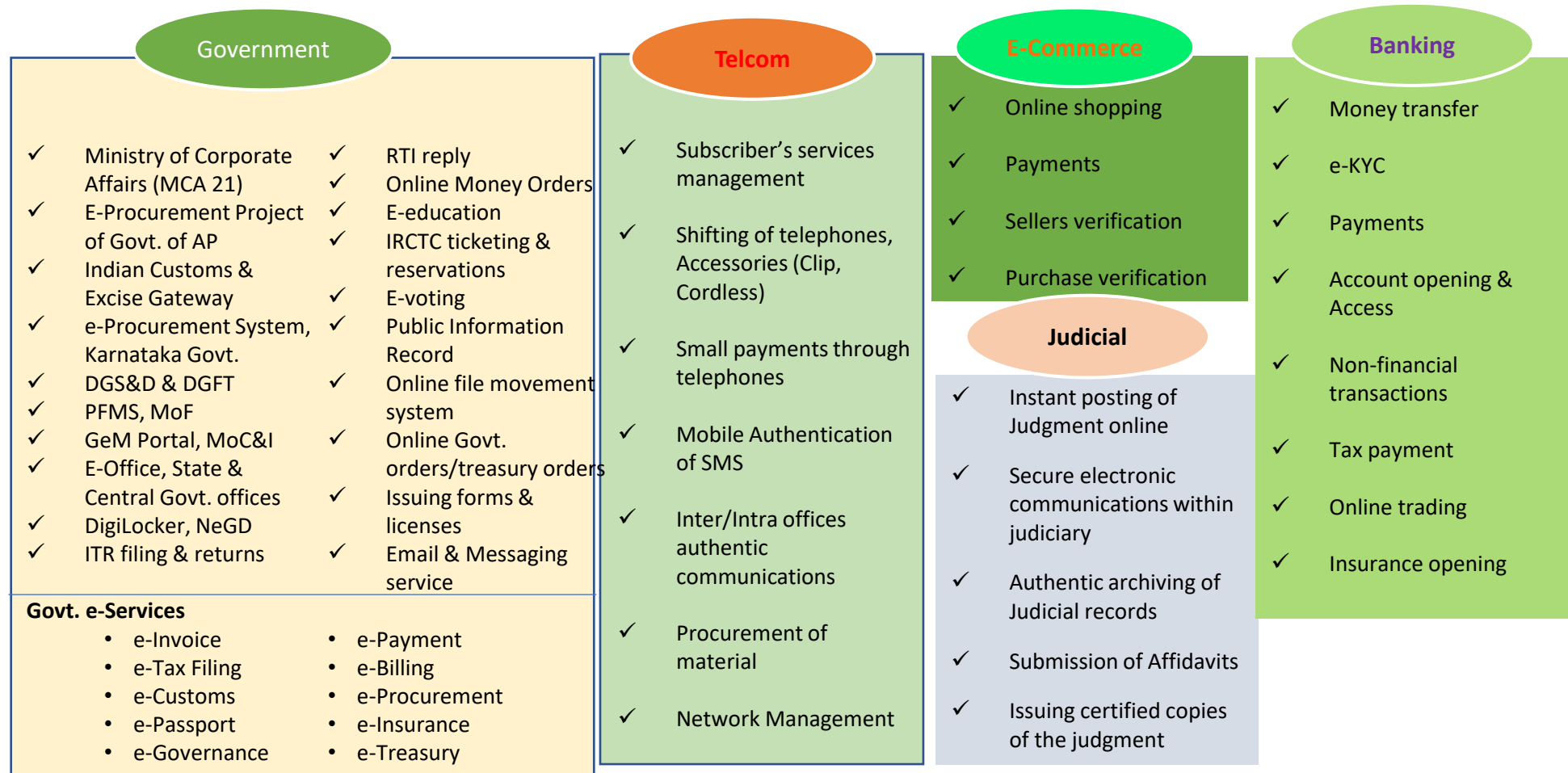
As per IT Act 2000, the following functions are stated:

1. Exercising supervision over the activities of the Certifying Authorities.
2. Certifying public keys of the Certifying Authorities
3. Laying down the standards to be maintained by the Certifying Authorities;
4. Specifying the qualifications and experience which employees of the Certifying Authorities should possess;
5. Specifying Authorities shall conduct their business Specifying the content of written, printed or visual material and advertisements that may be distributed or used in respect of a Electronic Signature Certificate and the Public Key;
6. Specifying the form and content of a Electronic Signature Certificate and the key.
7. Specifying the form and manner in which accounts shall be maintained by the Certifying Authorities;

Function of CCA

8. Specifying the terms and conditions subject to which auditors may be appointed and the remuneration to be paid to them.
9. Facilitating the establishment of any electronic system by a Certifying Authority either solely or jointly with other Certifying Authorities and regulation of such systems;
10. Specifying the manner in which the Certifying Authorities shall conduct their dealings with the subscribers;
11. Resolving any conflict of interests between the Certifying Authorities and the subscribers;
12. Laying down the duties of the Certifying Authorities;
13. Maintaining a data-base containing the disclosure record of every Certifying Authority containing such particulars as may be the conditions subject to which the Certifying specified by regulations, which shall be accessible to public.

PKI Stakeholder - eGovernance



- **Contribution of CAs in the Digital India program is significant**
- **Role of DSC & CAs in the ease-of-doing Business is widely accepted**
- **CAs contribution in the pandemic time for continuing the business is noteworthy**
- **CAs enabled Foreign Nationals to participate in eTender and other business activities**

DSC & eSign Statistics

Year	No. of CA licensed	No. of DSC (in Lakh)	No. of eSign (in Lakh)
2002-13	5	67.90	---
2014	-	25.92	---
2015	1	23.68	5.38
2016	2	40.50	97.94
2017	-	38.64	351.68
2018	1	44.75	198.01
2019	2	46.83	314.82
2020	4	47.20	439.68
2021	2	46.22	984.17
2022 (Oct)	3	40.90	1096.28
Total	20	422.54 (~4 Cr)	3487.96 (~35 Cr)

- The contribution of CAs in the growth of DSC & eSign service is appreciated.
- The percentage in respect of false-issuance is negligible , however target is zero false-issuance for the highest confidence to application owners and there by the adoption of DSC enablement in their application.

Registration Authorities

- The role of “Registration Authority” or “RA” is limited to facilitate the submission of applicant’s credentials to CA for the eKYC account creation. RAs are not Supposed to store any subscriber related information.
- With the recent modification in the IVG, the KYC of the RAs should mandatorily be carried out before 01.01.2023.
- CAs need to have an legal agreement with RA which may include MOU,SLA,BG etc.
- From 01.01.2023 onwards, CA should not allow RAs to conduct any business whose eKYC & agreement is not completed.
- CA shall carryout Audit of RAs and such audit report shall be made available to CA auditors for inspection.
- **CAs should have a readiness for the audit of all RAs or on sample basis.**

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Audit Criteria

- As per section 18 (h) of IT Act, The Controller has given power to specifying the form and manner in which accounts shall be maintained by the Certifying Authorities;
- The existing compliance Audit of CA's Technical Infrastructure and operations are to meet the requirements mentioned under the provisions of IT Act.
- In order to have cross border recognition, Indian Licenced CAs should be follow internationally recognised audit criteria for their assessment.
- All CAs should prepare to get the audit done under web trust criteria and closure of all non-compliance will be the minimum requirement for retention of their Licence in the near future.

Maintenance of Accounts by CAs

As per regulation (vi), Financial—

- a) Every Certifying Authority shall comply with all the financial parameters during the period of validity of the licence, issued under the Act.
- b) Any loss to the subscriber, which is attributable to the Certifying Authority, shall be made good by the Certifying Authority.

As per regulation(vii) Compliance Audits—

- (a) The Certifying Authority shall subject itself to Compliance Audits that shall be carried out by one of the empanelled Auditors duly authorized by the Controller for the purpose.
 - 1. Apart from the Regular Audit, surprise/special audit will be carried out by CCA. Hence all CAs are required to maintain their technical and financial records up to date all the time.
 - 2. CA should satisfy the net worth, paid up capital etc during the Licence period.
 - 3. CAs should also conduct their business as per the law of the Land. CA should make sure that there is no tax/duties evasion in the conduct of their business.

Audit Plan

At present, Office of CCA engage auditors during the period Feb-March every year.

The existing practice will be changed in the future

The following are the major highlights of new Audit practice

1. An upper cap of Rs 15,000/- per man-day audit fee will be fixed by the Controller.
2. CCA will fix the date of receipt of audit report from the CAs. This date will be different for each CAs, CAs may engage Auditors accordingly. It is the responsibility of the CAs to get themselves Audited.
3. CA will be allowed to choose their auditor from the empanelled list maintained by CCA
4. The closure of audit will be done, after a presentation by the auditor and the CA, in front of an independent committee constituted by the Controller for the purpose.
5. Based on the observation/closure the committee will give its recommendation to CCA for acceptance/non acceptance of the Audit.

Licensing or Renewal

The following will be applicable for Licensing or Renewal

- The CAs will be allowed to operate only after obtaining necessary external service requirements like PAN eKYC, GST and eSign Empanelment.
- For renewal, CAs should apply well before the due date.
- Under no circumstance, the extension will be granted License
- Failure to provide the essential services like CRL, OCSP, non availability of website, 24x7 customer support, grievances resolution etc. during the Licence period may negatively impact the renewal of Licence.

Thanks