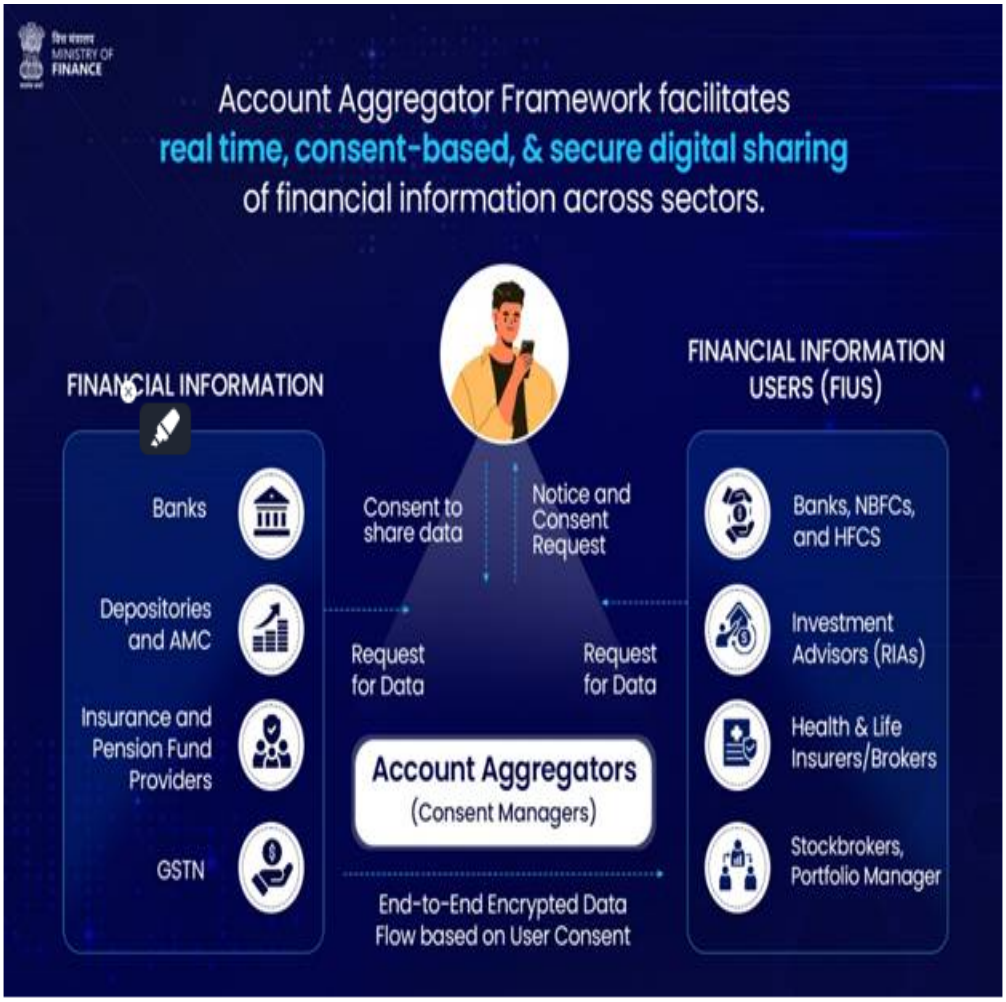
Account Aggregator Ecosystem

Prelims – *Current events of National and International importance| Economic and Social Development.*

Why in News?

Recently, Celebrating four years of launch of the Account Aggregator Ecosystem, India's Digital Public Infrastructure (DPI).

- **Account Aggregator (AA) ecosystem** – It is a part of India's digital public infrastructure, designed to give individuals and businesses secure and consent-based access to their financial data.
- The Reserve Bank of India issued the Master Directions for the Account Aggregator (AA) ecosystem.
- **Account Aggregator (AA) framework –** It was officially launched on September 2, 2021, establishing a secure, consent-based system for financial data sharing.
- It allows users to aggregate their financial information (like bank accounts, investments, loans, etc.) from multiple sources and share it with service providers for services like loan applications or financial planning.
- **Account Aggregator (AA)** – It is a type of Non-Banking Financial Company(NBFC) regulated by RBI .
- They act as intermediaries, ensuring data privacy and user control through encrypted, permission-driven data sharing.
- **Function** - It helps an individual securely and digitally access and share information from one financial institution they have an account with to any other regulated financial institution in the AA network.
- **DPI** - AA was recognised as a foundational Digital Public Infrastructure (DPI) serving as the data exchange layer, complementing the identity (Aadhaar) and payments (UPI) layers.



- **AA Network** - As on date, **112 Financial Institutions** have gone live both as Financial Information Providers (FIP) and Financial Information Users (FIU), while 56 have gone live solely as FIP and 410 as FIU.
- **Financial Information Provider (FIP)** – These are institutions entrusted with the role of safeguarding customer's data.
    - Example - Banks, NBFCs (Non-Banking Financial Companies), Mutual Fund Depositories, Insurance Repositories, Pension Fund Repositories etc.
- **FIU -** It is an entity registered with and regulated by any financial sector regulator.
- It consumes the data from an FIP to provide various services to the end consumer.
- **Significance –** The AA ecosystem is poised to unlock new frontiers in formal credit access, especially for MSMEs and personal lending.

Reference

PIB| Account Aggregator Ecosystem.

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