

**STEPS TO BECOME A LICENCED
DIGITAL LOCKER SERVICE PROVIDER
(To provide Digital Locker portal)**



Digital Locker Authority (DLA)

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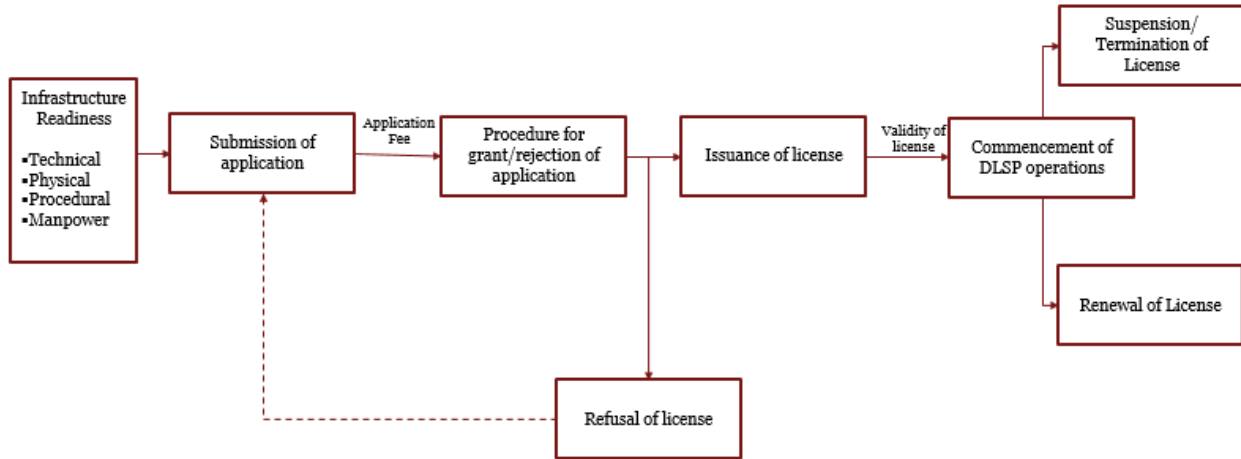


Fig1. High Level Process Overview

A. Procedure for applying for licence to operate as a Digital Locker Service Provider (DLSP)

1. The applicant is expected to have the entire infrastructure - technical, physical, procedural and manpower - in place before submitting the application.
2. For operating as a licenced DLSP under the *Information Technology (Preservation and Retention of Information by Intermediaries providing Digital Locker Facilities) Rules, 2016* an application has to be made to the Controller of Digital Locker Authority (DLA). The [application form](#), along with the supporting documents required for grant of licence, has to be submitted to the DLA.
3. On receipt of the application and after examination of the same along with the supporting documents, if found to be in order, the infrastructure will then be audited by STQC, based on whose audit report a decision will be taken on whether in-principle approval for a licence can be granted to the applicant to operate as a DLSP.
4. In case non-compliances to the requirements of the rules, technical specifications and guidelines are observed during the audit, the applicant will be required to take

corrective action and may be subject to audit once again for further examination for grant of in-principle approval for a licence.

5. After receiving the in-principle approval from the Digital Locker Authority the applicant shall submit an undertaking on Rs.100/- stamp paper along with the Performance Bank Guarantee as per sub-para 3 of para A1 of this document. The license will be granted after receipt and review of the same by the Digital Locker Authority.
6. The licence will be valid for a period of five years following which the DLSP will be expected to apply for renewal of licence. The same eligibility criteria will apply. Audit report will be examined for compliance and performance bank guarantee will have to be renewed.
7. Any repository services to be accessed by the DLSP will have to be obtained from an agency whose Repository has been certified by STQC. Such certified repositories must be located in India.

A1. Supporting documents

The following documents, among others, are required to be furnished, along with the application form.

1. Supporting documents as per the [Eligibility Criteria](#).
2. Crossed cheque or bank draft for Rs. 2,00,000/- (for fresh application) or Rs.40,000/- (for renewal) in favour of the Pay & Accounts Officer, MeitY, New Delhi. Both fees are non-refundable. The above fee may also be transferred through NEFT/RTGS to the following account:
 - Receipt Account Number: 604820110000002
 - IFSC Code: BKID0006048
 - Bank Address: Bank of India, CGO Complex Branch, 6, Electronic Niketan, New Delhi-110003
3. An undertaking on the letterhead of the organization for the following:

- That the applicant shall submit Performance Bond in the form of Banker's Guarantee valid for six years from a scheduled bank for an amount not less than Rs.2 Cr.
 - That the applicant would not commence operations until facilities and operations associated with providing Digital Locker services are audited by the auditors and licence is granted by the Digital Locker Authority.
 - That the applicant will comply with the requirements of its Digital Locker Practice Statement (DLPS)
 - That the applicant will make the payment to STQC for audit as per their standard rates.
 - In the event of discontinuation of operations, the applicant on directions of the Digital Locker Authority, shall migrate all digital lockers, related application forms and records (including audit logs) to another DLSP.
 - That the applicant will submit any other information that may be required to process the application.
4. The DLSP's Digital Locker Practice Statement (DLPS)
 5. Technical specifications of the DLSP system and security policies, standards and infrastructure available/proposed and locations of facilities.
 6. Information Technology and Security Policy proposed to be followed by the DLSP in its operations.
 7. Organisational chart and details of all trusted personnel.
 8. A statement for the purpose and scope of Digital Locker technology, management, or operations to be outsourced
 9. Date by which the applicant will be ready for audit to start. The application shall be deemed to have been received on this date for processing purposes.
 10. Time required for commencement of DLSP operations after obtaining licence. (Operations can only commence after licence has been issued by the DLA i.e. only after its operation and facilities associated with the functioning of the Digital Locker has been audited by the auditors and approved by the Digital Locker Authority)

DLA reserves the right to call for any other information that may be required to process the application.

B. Procedure for grant or rejection of application

1. The Digital Locker Authority shall, on receipt of an application after considering the documents accompanying the application and such other factors, as it deems fit, grant in-principle approval for the licence or reject the application. It shall ensure that no application shall be rejected unless the applicant has been given a reasonable opportunity of presenting his case.

C. Procedure for Issuance of Licence:

1. The Digital Locker Authority shall, within four weeks after considering the documents accompanying the application and completion of successful audit, as it may deem fit, provide in-principle approval for grant or renew the licence or shall inform the applicant about the non-compliances observed.
2. The applicant may have the non-compliances addressed and thereafter seek approval of the DLA for grant of licence to operate as a DLSP.
3. If the application for licensed Digital Locker Service Provider is approved, the applicant shall receive in-principle approval from the Digital Locker Authority. After receipt of in-principle approval, the applicant shall:
 - a) ***(only applicable for body corporates)***
submit a Performance Bond in the form of a Banker's Guarantee from a scheduled bank within one month from the date of such approval in favour of the Pay & Accounts Officer, MeitY, New Delhi. The Performance Bank Guarantee will be valid for a period of six years.
 - b) execute an undertaking on Stamp paper of Hundred Rupees with the Digital Locker Authority, binding itself to:
 - Comply with the Terms and Conditions of the licence to operate as a Digital Locker Service Provider

- Comply with the applicable provisions of the Information Technology Act 2000/Rules issued under the Act & guidelines/Instruction/Orders, issued by Controller of Digital Locker Authority from time to time.
 - Fulfill the Undertakings given by the applicant to the Auditor.
4. On receipt and review of the above documents, Digital Locker Authority may issue the licence as per laid down procedures.

D. Refusal of Licence:

1. The Digital Locker Authority may refuse to grant or renew a licence if-
- a) the applicant has not provided the Digital Locker Authority with information relating to its business, or if any circumstances come to light which are likely to affect its method of conducting business related to Digital Locker services;
 - b) the applicant is in the course of being wound up or liquidated;
 - c) the applicant or any trusted person has been convicted, whether in India or out of India, for an offence involving a finding that it acted fraudulently or dishonestly, or if the Digital Locker Authority has invoked Performance Bank Guarantee;
 - d) the applicant fails to comply with the directions of the Digital Locker Authority.

E. Commencement of Operation by Digital Locker Service Provider:

1. The Digital Locker Service Provider shall commence its commercial operation of providing Digital Locker services only after:
- a) it has been confirmed by the Auditor that the DLA approved Digital Locker Practice Statement has been adopted by the DLSP ;
 - b) the installed facilities and infrastructure associated with all functions of management of Digital Locker system have been audited by the accredited auditor in accordance with the provisions of preset rules; and

- c) it has submitted to the Digital Locker Authority the arrangements for interoperability with other licensed Digital Locker Service Providers within India;
- d) DLA has issued licence to the DLSP

F. Audit

1. The Digital Locker Service Provider shall get its operations audited. The audit shall be conducted in accordance with the [Audit and Compliance Framework](#).
2. The Digital Locker Service Provider shall conduct-
 - a) Half yearly audit by an internal audit team;
 - b) Annual audit by STQC.
3. STQC will submit the audit report to the Digital Locker Authority on completion of such audit. Where irregularities are found, the Digital Locker Service Provider shall take immediate appropriate action to remove such irregularities.

G. Suspension of Licence:

1. The Digital Locker Authority may by order suspend the licence if the Digital Locker Service Provider fails to comply with the defined provisions and compliance requirements.
2. The Digital Locker Authority may, after making inquiry, suspend the licence of the Digital Locker Service Provider that–
 - a) made a statement in, or in relation to, the application for the issue or renewal of the licence, which is incorrect or false in material particulars;
 - b) failed to comply with the terms and conditions subject to which the licence was granted;
 - c) failed to maintain the standards specified;
 - d) contravened any applicable provisions of the IT Act, rules/guidelines issued by Controller of Digital Locker Authority.

However, the licence shall not be revoked unless the Digital Locker service provider has been given a reasonable opportunity of showing cause against the proposed revocation.

3. In case the Digital Locker Authority has cause to believe that there is any ground for revoking a licence, it may suspend the licence pending the completion of any enquiry ordered by it. However, the licence shall not be suspended for a period exceeding four weeks unless the Digital Locker Service Provider has been given a reasonable opportunity of showing cause against the proposed suspension.
4. The Digital Locker Service Provider whose licence has been suspended shall not open any new Digital Locker accounts.

H. Surrender of licence:

1. Every Digital Locker Service Provider whose licence is revoked shall immediately after such revocation, surrender the licence to the Digital Locker Authority.

I. Renewal of licence:

1. In the case of an application for renewal of a licence, the provisions applicable to a fresh application for licensing of Digital Locker Service Provider shall apply.
2. A Digital Locker service provider shall submit an application for the renewal of its licence at least ninety days before the date of expiry of the period of validity of licence.
3. An application for renewal of a licence shall be accompanied by application renewal fees, of forty thousand rupees.

J. Cessation of operations

1. The DLSP, prior to cessation of operations, is required to make the following provisions. Before ceasing to act as a DLSP, the DLSP shall:
 - a. give notice to the Digital Locker Authority (DLA) of its intention to cease acting as a DLSP: Provided that the notice shall be made one hundred and eighty

- days before ceasing to act as a DLSP or one hundred and eighty days before the date of expiry of licence;
- b. advertise hundred days before the expiry of licence or ceasing to act as DLSP, as the case may be, the intention in such daily newspaper or newspapers and in such manner as the Controller may determine;
 - c. notify its intention to cease acting as a DLSP to the subscribers, Issuer/Repositories and Requesters on-boarded by it : Provided that the notice shall be given hundred days before ceasing to act as a DLSP or hundred days before the date of expiry of licence.
 - d. the notice shall be sent to the DLA, affected subscribers, Issuer/Repositories and Requesters by digitally signed e-mail and registered post;
 - e. make a reasonable effort to ensure that discontinuing its Digital Locker services causes minimal disruption to its subscribers, Issuer/Repositories and Requesters
 - f. make reasonable arrangements for preserving the records for a period of seven years;
 - g. pay reasonable restitution (not exceeding the cost involved in obtaining a digital locker) to subscribers for stopping digital locker services before date of expiry of licence
2. In the event of the transfer not being carried out, the DLSP is liable to forfeit the Performance Bank Guarantee submitted to the DLA.