Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the National Highways Authority of India (NHAI) has proposed to launch GPS-based toll collection on various routes throughout India that would replace the existing FASTag-based tolling system and if so, the details thereof;

(b) whether the NHAI has decided to cancel all FASTags without Know Your Customer (KYC) compliance under “One Vehicle One Fastag” initiative and if so, the details thereof;

(c) whether the FASTags with incomplete KYC would be deactivated/blacklisted by banks after 31 January, 2024 and if so, the details thereof;

(d) whether the Government has received complaints that many vehicle are using single fastag and if so, the details thereof;

(e) the manner in which implementation of One vehicle One Fastag system would be helpful in increasing the efficiency and streamlining of electronic toll system; and
(f) whether the Reserve Bank of India has issued any guidelines for updating the fastag with KYC and if so, the details thereof?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) Yes, Sir. Government has appointed a consultant to provide advisory services on implementation of new technologies like Global Navigation Satellite System (GNSS) based barrier less free flow tolling.

It has been decided to Initially implement GNSS based Electronic Toll Collection (ETC) System at selected sections of National Highways on pilot basis as an added facility along with FASTag.

(b) to (c) Yes, Sir. National Highways Authority of India (NHAI) is encouraging FASTag users with incomplete KYC to complete their ‘Know Your Customer’ (KYC) process as per RBI Guidelines.

FASTags with incomplete KYC are liable to be blacklisted by Banks beyond 29.02.24. National Payments Corporation of India (NPCI) had earlier issued directions to all issuer banks to complete KYC of all FASTag users before 01.03.23 however, the 100% compliance was not achieved. NHAI’s recent initiative aims to make the FASTag system 100% KYC compliant in order to avoid inconvenience to road users at fee Plazas. Under the “One Vehicle One FASTag” NHAI aims to deactivate/blacklist multiple FASTags issued on a single Vehicle.

(d) to (e) Instances have been reported when FASTag issued to a different vehicle are carried in another vehicle(s) without fixing it on the windscreen of the vehicle. This also results in deduction of User Fee even if that vehicle has not crossed fee Plaza. With One Vehicle One FASTag initiative, such misuse of FASTag will be minimized.

One Vehicle One FASTag initiative aims to increase the efficiency and strengthen the Electronic Toll Collection by:

1. Reducing transaction processing delays
2. Removing large volume of inactive/blacklisted FASTag from the system

3. Prevention of unauthorized handling of FASTags which are not affixed to vehicle windscreen

4. Enhancing overall reliability of the system by minimizing chances of misuse of other vehicle’s FASTag and other fraudulent activities

5. Creating unique identifier of a vehicle for Tolling purpose.

(f) The guidelines as issued by RBI through Master Direction - Know Your Customer (KYC) Direction, 2016 (Updated as on January 04, 2024) RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 is applicable to all Prepaid Payment Instruments (PPI) including FASTag customers.

The Guidelines requires KYC of all PPI like FASTag to be fully KYC compliant. The Guidelines also require periodic updation of KYC which ranges from at least once in every two years for high-risk customers, once in every eight years for medium risk customers and once in every ten years for low-risk customers from the date of opening of the account / last KYC updation.

NHAI, through the recent initiative aims to make the FASTag system 100% KYC compliant in order to avoid inconvenience to road users at fee Plazas.

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