CHAPTER 22 · COMPLIANCE MANUAL · 2024 EDITION

DIGITAL SIGNATURES

*This chapter is an extract from **The RST Compliance Manual**, a regulator-mapped reference for Indian business entities curated by the partners of R S T & Co.*

A digital signature is a code (generated and authenticated by public key encryption) which is attached to an electronically transmitted document to verify its contents and the sender's identity.

A valid digital signature helps the receiver to know the message comes from the authentic sender and is not altered in between.

Digital signature needs a public key system. The sender uses a private key to sign a document and the verifier uses the public key to verify the document.

22.1 Features of Digital SignatureS

Message Integrity

Message Authentication

Message Non-repudiation

22.2 Types of Digital Signatures

Classes	Description
Class I	These signatures are used for identification of username/email ID (stating that, a particular username/email ID belongs to a particular person). However,it is not allowed to sign any Statutory / Business Documents.
Class II	Digital Signature for Income Tax Return e-filing, ROC / MCA 21 Digital Signature are used by Chartered Accountants or Company Secretary for their clients, for himself, for existing directors, for new company incorporation, for practicing CA or CS or ICWA.
Class III	Digital Signature Certificates for e-Tendering/ e-Procurement/ e-Bidding/ e-Ticketing/ e-Auction/ e-Bidding Class 3 Digital Signatures are issued to individuals, organizations and devices and applicable for personal and commercial use. Typically, they are used for Electronic Data Exchange (EDI), internet banking/broking-tendering and other web-based transactions where confidentiality and authenticity are critical.

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End of Chapter. *For the complete Compliance Manual, additional chapters, or a tailored briefing for your finance and compliance teams, contact* ***info@rstandco.co.in****.*