

## Banks may use Aadhaar eKYC for DBT users: UIDAI

PRESS TRUST OF INDIA  
NEW DELHI, 28 OCTOBER

The UIDAI has clarified to banks that Aadhaar eKYC can be used to authenticate beneficiaries of government subsidies and welfare schemes while for others physical Aadhaar card can be used for verification, a source said.

The Aadhaar-issuing authority Unique Identification Authority of India (UIDAI) wrote to the banks last week clarifying the instances and modes in which Aadhaar can be used, and a copy of the same was also sent to the Reserve Bank of India, a senior UIDAI official said.

The UIDAI wrote to banks after it received legal opinion on the matter, in the wake of a recent Supreme Court verdict that restricted the use of Aadhaar by private entities but cleared it for welfare schemes.

The UIDAI informed the



banks that they can use Aadhaar authentication for beneficiaries of government subsidies and welfare schemes, and listed various 'options' for the use of Aadhaar for other banking customers in the light of Supreme Court judgement in the Aadhaar case, said the official who did not wish to be named.

Physical Aadhaar card can be used for verification in an offline mode if produced voluntarily, it clarified.

When contacted UIDAI CEO, Ajay Bhushan Pandey said, "There are viable and completely paperless and digital options available through digitally signed electronic form

of Aadhaar which allows identity to be verified online without pinging our server. And through such methods the services can be seamlessly and digitally offered by banks for non-DBT customers". He also confirmed that UIDAI's views have been sent to banks but did not elaborate on details.

UIDAI has said that banks will be entitled to seek authentication of the beneficiaries availing subsidies, benefits, services under Aadhaar Act, for transfer of any subsidy or benefit to the bank account of the beneficiary, as well as for facilitating the withdrawal of money through Aadhaar based micro-ATM machines.

This means Aadhaar enabled Payment System (AePS) and BHIM Aadhaar Pay shall remain operative and bank can continue to maintain and provide these facilities so that Direct Benefit Transfer or DBT beneficia-

ries can withdraw their money through the micro-ATMs, AePS, BHIM Aadhaar Pay.

In its circular to banks, the UIDAI said that for customers giving declaration that they want to receive entitled benefits or subsidies of welfare schemes funded from the Consolidated Fund of India in their account directly, banks can perform Aadhaar-based authentication using e-KYC for opening bank accounts too.

For all other customers, banks cannot use Aadhaar electronic know your customer (e-KYC) authentication for opening bank accounts. They are, however, not barred from accepting physical Aadhaar card or offline electronic Aadhaar, if offered voluntarily by an individual for opening bank accounts and verifying the authenticity through Quick Response code, the official said.