

Govt, RBI working on 'offline' Aadhaar to open bank a/cs

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New Delhi: In the wake of the Supreme Court order on Aadhaar, the government and the Reserve Bank of India (RBI) are in talks to allow use of 'offline Aadhaar' that relies on QR codes, instead of the biometric eKYC, for opening bank accounts, operating payment wallets and purchasing insurance covers.

The move is significant as it will also benefit financial technology companies that have been prodding the government to amend the law to make Aadhaar mandatory, an option that the Centre has virtually ruled out for the moment. The SC has ruled that Aadhaar-based verification could not be done by private firms.

The court's decision not to make Aadhaar mandatory for bank accounts—though it is so for welfare scheme beneficiaries—led to a discussion on the use of offline Aadhaar where there is no link to the Unique Identification Authority of India's servers. The printout with the QR code is "digitally signed" by UIDAI, making it much more reliable than docu-

BASED ON QR CODE

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But since the use of offline Aadhaar has to be facilitated by the RBI, the central bank needs to bring out a circular and has held two-three rounds of discussions with UIDAI. The Aadhaar agency has suggested that the KYC master circular be amended, which will also ensure that the rules are in sync with the SC order.

► UIDAI push, P 12

UIDAI push for offline Aadhaar as tool for KYC

► Continued from P1

The Supreme Court had ruled that Aadhaar could not be mandatory for transactions other than those involving direct benefit transfer or income tax permanent account number (PAN).

But RBI's earlier circular mandating the use of Aadhaar has meant that several banks are yet to implement the SC ruling, which requires them to tweak their systems. There was some confusion over the scope of the apex court order and the SBI sought to withdraw the AePS altogether before UIDAI said

this would be illegal.

Sources told TOI the use of Aadhaar even by banks and insurance companies will be optional with account holders and those looking to buy a life cover allowed to offer other identification documents like voter ID, ration card or driving licence to comply with KYC requirements.

UIDAI has been pushing offline Aadhaar as the tool for KYC, offering it as a secure solution, which helps mask details beyond the name, photograph and address. These are details that are readily available and are needed for establishing a person's ID.