



सत्यमेव जयते

भारत सरकार  
Government of India  
भारतीय विशिष्ट पहचान प्राधिकरण  
Unique Identification Authority of India (UIDAI)  
आधार, बंगला साहिब रोड, काली मंदिर के पीछे,  
गोल मार्किट, नई दिल्ली-110001  
Aadhaar, Bangla Sahib Road, Behind Kali Mandir,  
Gole Market, New Delhi-110001

**F. No.13012/171/2018/Legal/UIDAI/114**

**Dated: 23.10.2018**

**CIRCULAR**

**Subject: Hon. Supreme Court's Aadhaar judgement - Use of Aadhaar for opening bank accounts and withdrawal of money through AePS – regd.**

**Ref: Opinion of Ld. Attorney General for India dated 15.10.2018.**

The Unique Identification Authority of India (hereinafter referred to as "UIDAI") is in receipt of the opinion of the Ld. Attorney General for India in respect of queries raised by UIDAI which arose after the judgment of the Hon. Supreme Court of India, delivered on 26.09.2018 in W.P. (Civil) No. 494/ 2012 (hereinafter referred to as the "Aadhaar Judgment"). A copy of the Opinion of Ld. Attorney General for India is attached herewith as **Annexure**.

2. It is noted that as per the opinion of the Attorney General, *Banks would be entitled to seek authentication of the beneficiaries, who are availing subsidies/benefits/services covered by Section 7 of the Aadhaar Act, for the purpose of transfer of any monetary subsidy or benefit to the bank account of the beneficiary, as well as for facilitating the withdrawal of money by the beneficiary through Aadhaar based micro-ATM machines* (refer to page 8-9 of the Opinion). Accordingly, the Aadhaar enabled Payment System (AePS) and BHIM Aadhaar Pay shall remain operative and bank may continue to maintain and provide these facilities so that the DBT beneficiaries can conveniently withdraw their money through the micro-ATMs, AePS, BHIM Aadhaar Pay etc. without having to visit bank branches which are, in many cases, far away from the places where they live.

3. From the above quoted opinion, there is also no bar on the Banks to perform Aadhaar based authentication using e-KYC authentication facility for opening bank accounts of the client who gives a declaration that s/he is desirous of receiving her/his entitled benefits or subsidies of welfare schemes funded from the Consolidated Fund of India in her/his account directly. Banks may therefore use Aadhaar e-KYC for such clients.

4. For clients who are not beneficiaries of the aforesaid welfare schemes or who do not give the declaration as mentioned in para 3 above, as per the Aadhaar judgement and opinion given by Ld Attorney General banks cannot use Aadhaar E-KYC authentication for opening bank accounts etc. However, they are not prohibited from accepting physical Aadhaar card/E-Aadhaar card/Masked Aadhaar/Offline Electronic Aadhaar xml (if offered voluntarily by the client) for



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मेरा आधार, मेरी पहचान

the purpose of opening bank accounts in such cases and verifying the authenticity through QR code etc. The Attorney General has opined that *the voluntary use of a physical Aadhaar card, without authentication, by the Aadhaar number holder who wishes to establish his/her identity, is not prohibited by the judgment. This would include physical copies of 'e-Aadhaar' and 'masked Aadhaar' and offline xml as well. It would also, in my view, permit offline verification of the Aadhaar card, to establish its genuineness through QR code embedded in the Aadhaar card.* (Refer to page 4-5 of the Opinion). Accordingly, banks and RBI are at the liberty to use physical copy of the Aadhaar card as well as e-Aadhaar, masked Aadhaar and offline electronic Aadhaar xml provided by UIDAI, which are various forms of Aadhaar, as Officially Valid Documents (OVD) for KYC purpose. However, as per Aadhaar Regulations, the Banks must mask the first 8 digits of the Aadhaar number while storing the physical copy of the Aadhaar card or e-Aadhaar.

For the convenience of such non-DBT beneficiary clients and to avoid paper based manual process, banks are also at liberty and are encouraged to develop a fully electronic web/mobile application which can use the QR code printed on Aadhaar card/ E-Aadhaar/ Masked Aadhaar/ offline Electronic Aadhaar xml (which contain UIDAI's digitally signed KYC information in electronic form), if offered voluntarily, for opening bank accounts. This will make the account opening process completely paperless and hassle-free even for a non-DBT beneficiary client whose bank account, in view of Supreme Court's Judgment, is not permissible to be opened through online Aadhaar authentication.

5. Since Banks will be using facility of Aadhaar e-KYC for the purpose of opening bank accounts and withdrawal of money through AePS by DBT beneficiaries, it will be mandatory for the banks to provide Aadhaar enrolment facilities as per Regulation 12A of the Aadhaar (Enrolment and Update) Regulations, 2016. Therefore, it is hereby reiterated that the UIDAI's Circular dated 14 July, 2017 which requires every Scheduled Commercial Bank to provide Aadhaar enrolment and update facilities to its customers shall continue to operate.

6. This issues with the approval of the competent Authority.

**Encl: Annexure**

  
23/10/18  
**(R P Pant)**

**Assistant Director General**

To,

1. Chairpersons of all Banks
2. Deputy Governor, Reserve Bank of India

CC:

1. Secretary, Department of Financial Services, Government of India
2. Secretary, Department of Revenue, Government of India
3. Secretary, Ministry of Electronics and Information Technology, Government of India
4. DBT Mission, Cabinet Secretariat
5. Indian Banking Association