

# The Aadhaar Bill

July 2, 2019

**The Aadhaar and Other Laws (Amendment) Bill, 2019**

**Polity**– Rights, Laws

Recently In a major move aimed at making Aadhaar making people friendly, the Union Cabinet, chaired by the Prime Minister has approved “The Aadhaar and Other Laws (Amendment) Bill, 2019” to replace the Aadhaar and Other Laws (Amendment) Ordinance, 2019. The amendments proposed are the same as those contained in the Ordinance promulgated by President in March, 2019. The Bill will be introduced in the ensuing session of Parliament.

## **Background**

The Aadhaar and Other Laws (Amendment) Ordinance, 2019 amongst other things envisaged strengthening of the Aadhaar Act as per the directions of the Supreme Court and **recommendations of Justice B.N.Srikrishna(Retd) Committee.**

**The key highlights of the amendments are as follows;**

- The amendment provides for **voluntary use of Aadhaar number in physical or electronic form** by authentication or offline verification with the **consent of Aadhaar number holders.**
- It provides for the use of twelve-digit Aadhaar number and its alternative virtual identity to conceal the actual Aadhaar number of an individual.
- Gives an option to children who are Aadhaar number holders to cancel their Aadhaar number on attaining the age of eighteen years.
- Permits entities to perform authentication only when they are compliant with the standards of privacy and security specified by the Authority; and the authentication is permitted under any law made by

Parliament or is prescribed to be in the interest of State by the Central Government.

- Allows the use of Aadhaar number for authentication on voluntary basis as acceptable KYC document under the Telegraph Act, 1885 and the Prevention of Money-laundering Act, 2002.
- Proposes deletion of section 57 of the Aadhaar Act relating to use of Aadhaar by private entities.
- Prevents denial of services for refusing to, or being unable to, undergo authentication.
- Provides for establishment of Unique Identification Authority of India **Fund**.
- Provides for civil penalties, its adjudication, appeal thereof in regard to violations of Aadhaar Act and provisions by entities in the Aadhaar ecosystem.

### **Impact:**

- The decision is expected to go a long way in meeting the people friendly and citizen centric nature of Aadhaar.
- The decision would enable UIDAI to have a more robust mechanism to serve the public interest and restrain the misuse of Aadhaar.
- With this amendment, no individual shall be compelled to provide proof of possession of Aadhaar number or undergo authentication for the purpose of establishing his identity unless it is so provided by a law made by Parliament.

For the convenience of the general public **in opening of bank accounts**, the proposed amendments would **allow the use of Aadhaar number for authentication on voluntary basis as acceptable KYC document** under the Telegraph Act, 1885 and the Prevention of Money Laundering Act, 2002