'Virtual ID, UID Token Different Forms of Aadhaar'

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New Delhi: Aadhaar Virtual ID and the UID token system — two newly introduced layers of security for Aadhaar — should be deemed "different forms of Aadhaar number", Unique Identification Authority of India has notified, in a bid to ensure it complies with Prevention of Money Laundering Act.

Rule 9 of the Prevention of Money Laundering Rules, after a 2017 amendment to the Act, mandates the linkage of existing bank accounts with Aadhaar number, which is also required for opening a new bank account and has to be linked to PAN number.

Unique Identification Authority of India (UIDAI), in the interest of data security and privacy of Aadhaar holders, earlier this year introduced Virtual ID and UID Token, which people can use for authentication instead of sharing their Aadhaar details.

However, PMLA rules don't recognise these two tools.

Hence, the new notification from UIDAI.

"Since Virtual ID and UID Token are different forms of Aadhaar number, the authority in exercise of its powers hereby clarifies that Virtual ID and UID Token may therefore be duly accepted by local authentication user agencies (AUAs) in lieu of Aadhaar number when so mandated by the authority and will be deemed as the Aadhaar number for the purpose of compliance of their respective regulations," UIDAI said in the notification.

Virtual ID gives an Aadhaar holder an option of not sharing his Aadhaar number, while UID token system avoids creation of parallel databases of people by companies and government departments.

Earlier this month, UIDAI had given a breather to banks and government departments by extending the deadline to upgrade their systems to process the Virtual ID as an alternate to Aadhaar numbers till August.

In a circular issued on May 16, Unique Identification Authority of India had classified certain authentication user agencies as local AUAs that will be provided access to limited e-KYC authentication using the Virtual ID and UID Token in lieu of Aadhaar number. The list include telecom service providers, national housing bank regulated finance companies, non-bank PPI users, CCA regulated eSign providers, non-life insurance companies and NBFCs.