

# Virtual ID: RBI asks banks to tweak systems by June 30

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**THE RESERVE BANK** of India (RBI) has asked all banks to tweak their systems by June 30 to enable the use of virtual IDs (VIDs) in lieu of Aadhaar, and migrate to the limited know-your-customer mechanism, a senior government official told *FE*.

This means customers can choose to give the bank either their Aadhaar numbers or the VID's generated by the Unique Identification Authority Of India (UIDAI), which authenticates their names and address details from the back-end. The RBI directive, sent to all banks earlier this month, comes ahead of the proposed July 1 rollout of the VID system. Non-compliance by banks will



invite penal measures.

To address privacy concerns, the UIDAI announced plans in January to introduce the VID feature, which an Aadhaar cardholder can generate from its website and produce for various authentication purposes, instead of sharing the actual 12-digit biometric ID.

The UIDAI followed it up in April with the launch of beta version of VID feature that allows users to generate the VID and use it to update address in Aadhaar online. The

Department of Telecommunications has also directed telecom service providers to change their systems and networks accordingly to enable the use of VID's.

The VID, which is a random 16-digit number mapped to a person's Aadhaar number, together with biometrics of the user, would give any authorised agency such as a bank or a mobile company only limited details such as name, address and photograph, which are enough for any verification.

A user can generate as many VID's as they want, but the older ID gets automatically cancelled once a fresh one is generated. The move comes amid mounting concerns about collection and storage of personal and demographic data of individuals.