



Lok Sabha passes the Aadhaar And Other Laws (Amendment) Bill, 2018

Lok Sabha has recently passed the Aadhaar And Other Laws (Amendment) Bill, 2018.

- The Bill aims to amend three existing laws: The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, The Indian Telegraph Act, 1885, and The Prevention of Money Laundering Act, 2002.
- The Bill is brought to modify existing laws to implement the [Supreme Court's judgment \(September 2018\)](#) which upheld Aadhaar but limited its use for only certain subsidies and schemes funded by the Consolidated Fund of India and disallowed private companies from seeking Aadhaar for authentication.

Provisions of the Bill

- **Enrolment of Children:** Permits the enrolment of children to the scheme with the consent of their parents or guardian.
 - Children can opt out of Aadhaar on attaining majority.
- **Offline verification:** The Bill permits offline verification, i.e. the use of Aadhaar number to establish an identity without authentication using biometric data or other electronic means.
 - As per the present Act, Aadhaar number without electronic authentication cannot be used to verify the identity.
- **Virtual ID:** The Bill changes the definition of 'aadhaar number' to include 'virtual ID', in addition to the 12 digit number. The 16-digit Virtual ID enables one to authenticate identity without providing aadhaar number.
- **High Court judge can order disclosure:** The authority which can issue orders to disclose Aadhaar information is proposed to be changed as 'High Court judge' from 'District Judge'.
- **The right of hearing before disclosure order:** The Bill states that the holder of the Aadhaar number should be heard before issuing such order.
- **Secretary authorized to order disclosure in the interest of national security:** The authority which can issue orders of disclosure of Aadhaar information in the interests of national security is proposed to be changed to the officer of the rank of "Secretary" from "Joint Secretary".
- **No denial of services due to authentication failure:** The Bill clarifies that failure in authentication of Aadhaar number due to old age, sickness, or technical reasons should not result in denial of any service, benefit or subsidy. It states that alternate means to verify identity should be used in such cases.
- **Civil penalties:** The Bill proposes civil penalties for collection, use, and disclosure of Aadhaar information in contravention with the violation of the provisions of the Act.
 - The maximum penalty proposed is Rs. one crore.
- **Section 57 Omitted:** Section The Bill proposes to omit Section 57 of the Aadhaar Act that permitted private entities to use Aadhaar number for authenticating identity before providing services.
- **Amending Telegraph Act:** The Bill proposes to amend the Indian Telegraph Act 1855 to provide for voluntary use of Aadhaar number for identity verification by the telecom companies. However, the Bill does not say that Aadhaar has to be compulsorily used for verification.
- **Bank Accounts and Aadhaar:** The Bill proposes an amendment to the Prevention of Money Laundering Act to permit voluntary use of Aadhaar for identity verification by banks before opening

bank accounts. Aadhaar is specified as one of the means of identity verification, and there is no compulsion to use it.

- **UIDAI Fund:** Under the Act, all fees and revenue collected by the UIDAI shall be credited to the Consolidated Fund of India.
 - The Bill removes this provision and creates the Unique Identification Authority of India Fund.
 - All fees, grants, and charges received by the UIDAI shall be credited to this fund. The fund shall be used for expenses of the UIDAI, including salaries and allowances of its employees.

PDF Reference URL: <https://www.drishtiias.com/printpdf/lok-sabha-passes-the-aadhaar-and-other-laws-amendment-bill-2018>

