

F.NO.8/8/2012-BO.III
Government of India
Ministry of Finance
Department of Financial Services
(BO.III Section)

2nd Floor, Jeevandeep Buliding,
10, Parliament Street, New Delhi-110001
26th August, 2016

OFFICE MEMORANDUM

Sub.: Aadhaar seeding in Pension Pay Orders / Pension records

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The undersigned is directed to refer letter No. 2014/AC-II/21/13 dated 10/02/2016 from the Ministry of Railways (Railway Board) on the subject cited above and to inform that matter was taken up with the Reserve Bank of India and Indian Banks' Association.

2. The Indian Banks' Association vide letter dated 23/05/2016 (copy enclosed) has observed that in view of provision 29(2) of the Act puts restrictions on sharing information except with the prior consent of the individual to whom such information relates. Hence IBA is of the view that information can be shared with prior consent of individual to whom such information relates.

3. Reserve Bank of India vide letter dated 30/06/2016 (copy enclosed) has observed that as per Section 12 (2) of the Prevention of Money Laundering Act, every information maintained, furnished or verified, save as otherwise provided under any law for the time being in force, shall be kept confidential. Further, in terms of Section 56 of the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016 regarding Secrecy Obligations and Sharing of Information, banks have been advised to maintain secrecy regarding the customer information which arises out of the contractual relationship between the banker and customer. Hence, it would not be possible for the bank to share the Aadhaar data obtained from the customer, with other organisations without the consent of the account holder. Further, it has also been informed by the RBI that since Aadhaar is one of the six official valid documents necessary for opening a bank account, it is possible that many pension accounts may not have been opened on the basis of Aadhaar and may not have Aadhaar data. RBI has suggested that Railways could consider advising their pensioners to provide their Aadhaar number for seeding the same with their bank accounts through which pension is disbursed.

Yours faithfully,

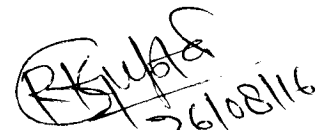


(Rakesh Kumar Gupta)
Under Secretary
Tel. 011-23348993

Encl: a/a

Ministry of Railways, Railway Board,
(Kind attention: Shri Anand Mathur Addl. Member/Staff),
Rail Bhawan, New Delhi – 110001

✓ Copy to all Public Sector Banks for favour of information.



(Rakesh Kumar Gupta)
Under Secretary