



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2016-17/189

DCM (Plg) No. 1859/10.27.00/2016-17

December 19, 2016

The Chairman / Managing Director/ Chief Executive Officer,
Public Sector Banks/ Private Sector Banks / Foreign Banks/ Regional Rural
Banks / Urban Cooperative Banks/ State Cooperative Banks

Dear Sir,

Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Bank Notes (Specified Bank Notes) - Deposit of Specified Bank Notes (SBNs) into bank accounts

Please refer to [Circular DCM \(Plg\) No.1226/10.27.00/2016-17 dated November 08, 2016](#) on the captioned subject. On a review of the provisions ii, iii and iv at C of Para 3 dealing with credit of the value of SBNs into bank accounts it has been decided to place certain restrictions on deposits of SBNs into bank accounts while encouraging the deposits of the same under the Taxation and Investment Regime for the [Pradhan Mantri Garib Kalyan Yojana, 2016](#) as indicated below:

- i. Tenders of SBNs in excess of ₹ 5000 into a bank account will be received for credit only once during the remaining period till December 30, 2016. The credit in such cases shall be afforded only after questioning tenderer, on record, in the presence of at least two officials of the bank, as to why this could not be deposited earlier and receiving a satisfactory explanation. The explanation should be kept on record to facilitate an audit trail at a later stage. An appropriate flag also should be raised in CBS to that effect so that no more tenders are allowed.
- ii. Tenders of SBNs up to ₹ 5000 in value received across the counter will allowed to be credited to bank accounts in the normal course until December 30, 2016. Even when tenders smaller than ₹ 5000 are made in an account and such tenders taken together on cumulative basis exceed ₹ 5000 they may be subject to the procedure to be followed in case of tenders above ₹ 5000, with no more tenders being allowed thereafter until December 30, 2016.
- iii. It may also be ensured that full value of tenders of SBNs in excess of ₹ 5000 shall be credited to only KYC compliant accounts and if the accounts are not KYC compliant credits may be restricted up to ₹ 50,000 subject to the conditions governing the conduct of such accounts.

- iv. The above restrictions shall not apply to tenders of SBNs for the purpose of deposits under the Taxation and Investment Regime for the Pradhan Mantri Garib Kalyan Yojana, 2016.
- v. The equivalent value of specified bank notes tendered may be credited to an account maintained by the tenderer at any bank in accordance with standard banking procedure and on production of valid proof of Identity.
- vi. The equivalent value of specified bank notes tendered may be credited to a third party account, provided specific authorisation therefor accorded by the third party is presented to the bank, following standard banking procedure and on production of valid proof of identity of the person actually tendering, as indicated in [Annex-5](#) of our circular cited above.

2. Please acknowledge receipt.

Yours faithfully

(P Vijaya Kumar)
Chief General Manager

Related Links	
Dec 16, 2016	Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016
Dec 16, 2016	Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016
Dec 16, 2016	Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016 - Operational Guidelines
Dec 16, 2016	FAQs on Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016