

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UN-STARRED QUESTION No. 3558

ANSWERED ON 15TH JULY, 2019 (MONDAY)/ ASHADHA 24, 1941 (SAKA)

BSBD ACCOUNTS SCHEME

3558. SHRI SRINIVAS KESINENI:

Will the Minister of FINANCE be pleased to state:

(a) whether RBI has recently relaxed norms for Basic Savings Bank Deposit (BSBD) accounts, whereby banks are allowed to provide basic facilities like cheque book and minimum four withdrawals, without any charges and without requirement of maintaining minimum balance, if so, the details thereof and the time by which the new norms are likely to be implemented;

(b) the details of the category of persons who are eligible or covered under the BSBD Accounts Scheme;

(c) the manner in which the RBI ensures that the banks do not treat or convert BSBD accounts into normal saving bank accounts and start imposing charges; and

(d) the details of the safeguards or penalties RBI proposes to impose to protect the interests of small SB account holders?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (d) : Reserve Bank of India (RBI) vide its circular dated 10.06.2019 has revised their earlier instructions dated 10.08.2012 on Basic Savings Bank Deposit (BSBD) accounts.

As per the revised Instructions, Banks are advised to offer the following basic minimum facilities in the BSBD Account, free of charge, without any requirement of minimum balance.

- Deposit of cash at bank branch as well as ATMs/Cash Deposit Machines (CDMs)
- Receipt/ credit of money through any electronic channel or by means of deposit /collection of cheques drawn by Central/State Government agencies and departments
- No limit on number and value of deposits that can be made in a month
- Minimum of four withdrawals in a month, including ATM withdrawals
- ATM Card or ATM-cum-Debit Card

Further, Banks are free to provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to disclosure. The availment of such additional services should be at the option of the customers.

However, while offering such additional services, banks shall not require the customer to maintain a minimum balance. Offering such additional services would not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge. The BSBD Accounts are considered a normal banking service available to all.

As informed by banks, conversion of BSBD account into normal savings bank account is allowed only at the written request of the customer. RBI under Banking Regulation Act, 1949 can impose penalty on banks for non-compliance of any instructions issued by it.
