

RBI ISSUES GUIDELINES FOR BANKS' DIGITAL BANKING UNITS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

The Reserve Bank of India on Thursday said existing banks can open digital banking units to offer products and services in both self-served and assisted mode round-the-clock.

In the Union Budget, the government announced the setting up of at least 75 such units in 75 districts to commemorate 75 years of the country's independence as 'Azadi ka Amrit Mahotsav'.

Services offered

According to the guidelines on the establishment of Digital Banking Units (DBUs), the products and services to be provided at a DBU include, opening of accounts, cash withdrawal and deposit, KYC updation, loans and complaint registrations.

"Digital banking products and services would generally mean those financial products/services whose designs and fulfilments have nearly end-to-end digital life cycle with the initial customer acquisition/product delivery necessarily taking place digitally through self-service or assisted self-service," the central bank said.

A DBU is a specialised fixed point business unit/hub housing certain minimum infrastructure for delivering digital banking products and services to ensure convenient and cost-effective banking for customers.

Scheduled commercial banks having experience in digital banking are allowed to open DBUs in tier 1 to tier 6 centres without needing to take permission from the RBI, according to the guidelines.

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