

BSBD ACCOUNTS SCHEME

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

Ministry of Finance

BSBD Accounts Scheme

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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.

This was stated by Shri Anurag Thakur, Minister of State for Finance & Corporate Affairs in a written reply to a question in Lok Sabha today.

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