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F. No. 1/9/2014-FI (PLXI) (C-69300)

Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevandeep Building, Sansad Marg

New Delhi, dated the 10th May, 2016

To

- 1. Chairman/ CMDs/ MD& CEOs/ MDs of all Public Sector Banks
- 2. All SLBC Conveners

**Subject: Pradhan Mantri Jan Dhan Yojana - Opening of accounts-
Conversion of Small Accounts to Basic Savings Bank Deposit Accounts
(BSBDA)- reg.**

Sir(s) / Madam (s),

Please refer to this Department's letter no. 21/12/2014-FI (MISSION OFFICE) dated 29th January, 2016 regarding observing due diligence in Small Accounts opened under PMJDY. Accounts opened under PMJDY provide platform for Direct Benefit Transfer (DBT).

2. It has been informed that some State Governments are facing problem in transfer of benefits in certain schemes due to restrictions imposed (restrictions on withdrawal of amounts more than Rs.10000/-, balance in the accounts to not exceed Rs.50000/- at any point of time, credit limit not to be more than Rs.1 lakh) in the Small Accounts opened under PMJDY.

3. In this regard, it is informed that PMJDY envisage opening of 'Basic Savings Bank Deposit Account (BSBDA)' which are subjected to RBI instructions on Know Your Customers (KYC)/ Anti Money Laundering (AML) for opening of bank accounts issued from time to time. As per RBI guidelines ,these BSBD Accounts inter-alia, have

following minimum common facilities to all customers:-

- (i) The account shall not have the requirement of any minimum balance.
- (ii) The services available in the account will include deposit and withdrawal of cash at bank branch as well as ATMs; receipt/ credit of money through electronic payment channel or by means of deposit/ collection of cheques drawn by Central/ State Government agencies and departments;
- (iii) While there will be no limit on number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals; and
- (iv) Facility of ATM card or ATM-cum-Debit Card.

However, those persons who do not have any of the 'officially valid documents' as stipulated by RBI, can open "small accounts" with banks. A "Small Account" can be opened on the basis of a self attested photograph and putting her/ his signature or thumb print in the presence of an official of the bank. Such accounts have limitation regarding the aggregate credits (not more than Rupees one lakh in a year), aggregate withdrawals (not more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point of time). These small accounts would be valid normally for a period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account holder provides a document showing that she/he has applied for any of the officially valid document within twelve month of opening the small account.

4. In view of the above, it is requested to ensure that necessary review mechanisms (to obtain necessary KYC documents as per RBI guidelines) are in place to monitor the transactions/threshold limit for the small accounts opened under the Yojana as more than one year has elapsed since the launch of the scheme, so that customers are not put to hardship due to restrictions imposed under 'Small Account'. It is also requested to let us know how many small accounts have been opened in your bank.

5. Action taken in this regard may be furnished at missionfi@nic.in with a copy to pande.alok@nic.in.

Yours sincerely,

Sd/-

(Dr. Alok Pande)

Director (FI)

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Government of India
Ministry of Finance
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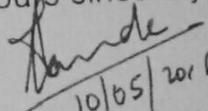
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Yours sincerely,


10/05/2016
(Dr. Alok Pande)
Director (FI)
Tel: 23365809

Copy to:
Shri Peeyush Kumar
Joint Secretary(DBT), DBT Mission, Cabinet Secretariat,
4th Floor, Shivaji Stadium, Rajiv Chowk, New Delhi – This has reference to
D.O. No. D-11011/9/2016- DBT dated 29.04.2016