

G-35012/3/2019-IFD
Government of India
Ministry of Jal Shakti
DoWR,RD&GR

Shram Shakti Bhawan, New Delhi
Dated-25.07.2019

Sub.- Issue of Payment Failure(s) in DBT Schemes-reg.

The undersigned is directed to forward herewith OM letter no. I-11011/133/2015-DBT(Vol.III) dated 16th July, 2019 received from DBT Mission, Cabinet Secretariat on the subject cited above.

2. DBT Mission referring OM dated 8th July 2019 of Department of Financial Services, MoF towards eliminating 12 identified returns/failure of DBT payments has summarized DBT related instructions and requested all the Ministries/Departments to proactively monitor DBT returns and report deviations from the instructions.

3. It is accordingly requested that all SMD may ensure compliance of the directions contained therein. The deviation from the instructions, if any, may reported to Dir(R&D), the coordinating officer of this Department for DBT matters

Encl. as above.



(Y.P.Yadav)
Under Secretary (Fin-II)

To,

- I. All Wing heads (DoWR, RD&GR)
- II. All Division heads (DoWR,RD&GR)
- III. All Branch heads(DowR, RD&GR)
- IV. All Section heads (DoWR, RD&GR)
- V. All Organization heads (DoWR,RD&GR)

Copy to:

- i. Sr. PPS to Secretary (DoWR, RD&GR)
- ii. PPS to JS&FA

Digitally signed by Y.P.YADAV

Date: Fri Jul 26 09:37:37 IST 2019

Reason: Approved



No. I-11011/133/2015-DBT (Vol III)
Govt. of India/भारत सरकार
Cabinet Secretariat/ मंत्रिमंडल सचिवालय
DBT Mission/प्रत्यक्ष लाभ अंतरणमिशन



4th Floor, Shivaji Stadium Annexe
Rajiv Chowk, New Delhi-110001
Date: 16th July, 2019

OFFICE MEMORANDUM

Subject: Issue of Payment Failure(s) in DBT Schemes- regarding

In order to streamline Direct Benefit Transfer (DBT) payments, Government has been working towards reducing payment failures at the last mile and with consistent efforts, failure rates have come down significantly both in value and volume terms.

2. In continuation to this Office OM of even number dated 22.02.2019, please find enclosed instructions issued by Department of Financial Services to banks vide letter No. 1/21/2014-FI(Vol.II) dated 8th July 2019 towards **eliminating 12 identified returns / failure of DBT payments**, which are summarized as below:

- (i) Banks have been requested to follow the procedure laid down in the 'Standard Operating Procedure of Aadhaar Payments Bridge' of NPCI so that following six DBT returns are eliminated – "i) Aadhaar number not mapped to the Account number; ii) Account Closed/ transferred; iii) Account Holder expired; iv) Invalid Account (NRI/NRE/PPF/CC/Loan/FD); v) Account under litigation; and vi) Documents pending for Account holder turning major".
- (ii) Banks are also requested to follow instructions of Reserve Bank of India, Department of Financial Services and NPCI which would imply elimination of following six DBT returns – "i) Account reached maximum credit limit set on account by Bank; ii) Amount exceeds limit set on Account by Bank for Credit per Transaction; iii) Customer to refer to the branch; iv) Dormant Account; v) Account inoperative; and vi) Network failure."

14/5560004
22/7/19

Eco. Advisor / *[Signature]*

[Signature] Cont./-
22/7/19

Pg 1 of 17

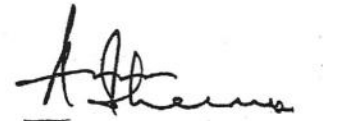
Previous receipt being handled in IFD

U.S. (IFD)

PM 22/7/19

Cont/- from pre-page

3. DBT Mission and Department of Financial Services have been regularly monitoring payment failures in DBT in general and for the above-mentioned reasons in particular. Ministries / Departments are requested to proactively monitor DBT returns and report any deviation from the instructions above.



(Arun Sharma)

Director, DBT

Tele: 23343860 Extn: 307

Enclosed: As above

To:

1. Secretaries of all DBT implementing Ministries/Departments of Government of India

Copy to:

1. Secretary, Department of Financial Services
2. Controller General of Accounts, Ministry of Finance, Government of India
3. Senior PPS to Secretary (Coordination), Cabinet Secretariat
4. PA to Joint Secretary (DBT), Cabinet Secretariat

F. No. 1/21/2014-FI (Vol.II) (C-69551)
Government of India
Ministry of Finance
Department of Financial Services

3rd floor Jeevan Deep Building,
Sansad Marg, New Delhi
Dated: 3rd July, 2019

To

1. Chairman (SBI)/CMD/MD & CEO of all Public Sector Banks and Axis Bank, HDFC Bank, ICICI Bank and J & K Bank
2. Chairman, NABARD (for circulation to all Cooperative Banks)
3. CEO, IBA (for circulation to all other Private Sector Banks)

Subject: Direct Benefit Transfer (DBT) schemes of the Government

Sir/Madam,

As all of you are aware, Direct Benefit Transfer (DBT) is one of the most important initiatives for channelizing benefits under various schemes/programmes of the Government to the targeted beneficiaries in a seamless manner. An enabling architecture through the digital pipeline (JAM trinity-Jan-Dhan, Aadhaar, and Mobile) has been created to inter-alia ensure smooth transfer of DBT benefits.

2 Although the scheme is being implemented successfully, there are some issues that need to be resolved to ensure that all eligible beneficiaries covered under DBT receive their benefits in a timely and smooth manner. To enable uninterrupted transfer of benefits under various DBT schemes to all the intended beneficiaries, banks are to ensure that they meticulously follow the Standard Operating Procedure (SOP) of NPCI (copy enclosed) for Aadhaar seeding and instructions/circulars of RBI as well as the advice made by this department on DBT related issues.

3. In this regard, based on the issues raised subsequently by some participating Ministries/Departments and State Governments, NPCI has listed the following possible reasons for payment request not being processed at the bank's end.

I. Returns specific to Aadhaar Payment Bridge (APB):

1. Aadhaar number not mapped to account number
2. Account closed
3. Account holder expired
4. Invalid account type - NRE/PPF/CC/Loan/FD
5. Account Under Litigation

6. Documents Pending for Account Holder turning Major

The extract of SOP to be followed by the banks to eliminate these returns is provided in *Annexure I*

II. Returns for Aadhaar based as well as Account based transactions:

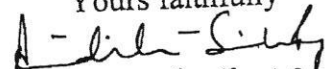
1. Account reached maximum Credit limit set on account by Bank
2. Amount Exceeds limit set on Account by Bank for Credit per Transaction
3. Customer to refer to the branch
4. Dormant Account
5. Account inoperative
6. Network Failure

4. Regarding 3(II) above, reference is invited to para 4(II) of this Department's letter No.F.No1/21/2014-FI (Vol.II) (C-36551) dated 8th February, 2019(copy enclosed) wherein banks were requested to ensure compliance on various points mentioned on the aforesaid letter to ensure smooth DBT flow to the beneficiaries. The suggested course of action to be taken by banks to prevent avoidable cases of DBT returns and thereby avoiding customer inconvenience is provided in *Annexure II*.

5. As per the D/o Expenditure OM dated 28.2.2016, It is again reiterated that all DBT are to be routed through NPCI (either Aadhaar Payment Bridge or NACH).

6. In the above background, banks are requested to take immediate steps on a priority basis to ensure that DBT related amount is credited to the designated accounts as per the extant guidelines/SOP on DBT as mentioned above. An action taken report in this regards may be furnished at fi-dfs@nic.in and missionfi@nic.in with a copy to anindita@nic.in.

Yours faithfully


8.7.19.

(Anindita Sinharay)

Director (FI)

Email: anindita@nic.in

Tel. 011-23748718

Copy to:

1. Joint Secretary, DBT Mission, with a request to circulate this letter to all DBT implementing Ministries/Departments for their information
2. CEO, NPCI for information and necessary action.

Returns specific to APB and suggested action to be taken by banks:

Return Reason Description	Reason for returns	Action to be taken by Banks
1. Aadhaar number not mapped to Account number	Bank updated Aadhaar number on NPCI mapper, however not seeded in CBS	Banks to seed Aadhaar number in CBS and then only update in NPCI mapper
	Mapping wrong reasons in CBS while returning the payment file	Banks to Map return reason in CBS as per NPCI return reason codes. Banks to ensure that all DBT return reasons in their respective CBS are mapped to the 39 standard return codes of NPCI(many to one mapping)
	Banks upload Aadhaar mapper file to NPCI platform. However after uploading, banks are not checking the Response (RES) file which NPCI shares with them.	Banks need to check the RES file and re-upload the failed Aadhaar seeding or de-seeding cases, especially in inactive cases
2. Account Closed or Transferred	Whenever account closed or transferred, Banks do not update NPCI mapper as inactive	Bank to deactivate the Aadhaar number in NPCI mapper whenever the account is closed or transferred or the account holder expires.
3. Account Holder expired	Banks do not update NPCI mapper as inactive	Banks should also automate the process of deactivating Aadhaar number on the NPCI mapper as and when account is closed in CBS or account holder expires
4. Invalid account (NRI/NRE/PPF/CC/Loan/FD)	For DBT flows, banks should not seed Aadhaar number for NRE/PPF/CC accounts on NPCI mapper	Controls should be put in place to not allow the users to seed Aadhaar number, on NPCI mapper that has been linked to NRE/PPF/CC account. Banks to reconcile and deseed Aadhaar numbers with respect to NRE/PPF/CC accounts on NPCI Mapper.
5. Account under litigation	Banks do not update such accounts on NPCI mapper as inactive	Bank to deactivate the Aadhaar number on NPCI mapper in case of such accounts.

Annexure II**Returns for Aadhaar based as well as Account based transactions and suggested action to be taken by banks**

S.No.	Return reason description	Action to be taken by Banks
1.	Account reached maximum credit limits	1. As per Amendment to Prevention of Money Laundering (maintenance of Records) Rules, 2005 relating to small accounts, Notification no. G.S.R.1038 dated 21.8.2017 issued by the Department of Revenue, Ministry of Finance, the limit on balances shall not be considered while making deposit through government grants, welfare benefits and payment against procurements Letter No. F.NO1/21/2014-FI(C-69551) dated 1.6.2018 issued by this department in this regard.(copy enclosed) 2. All KYC updated PMJDY accounts are to be converted to regular BSBD accounts, instead of treating them as "small accounts". In this regard earlier communication of this department vide letter no. 1/9/2014-FI (Pt.X) (C-69241) dated 30.9.2016 is enclosed
2.	Amount exceeds limit set on Account by Bank for Credit per Transaction	
3.	Customer to refer to the branch	In such cases, bank to provide specific error code so that corrective measure could be taken.
4.	Account inoperative/dormant	DBT flow should be allowed into inoperative/dormant accounts following RBI circular DBOD.No.Leg.BC.53/09.07.005/2013-14 dated 17.9.2013(copy enclosed).
5.	Network Failure(CBS)	NPCI provides sufficient time on (T+2 basis) to banks to process such payment files. Banks should ensure that all DBT payments are processed within the specified period only.

No. I-11011/133/2015-DBT (Vol II)
Govt. of India/भारत सरकार
Cabinet Secretariat/ मंत्रिमंडल सचिवालय
DBT Mission/प्रत्यक्ष लाभ अंतरणमिशन

4th Floor, Shivaji Stadium Annexe
Rajiv Chowk, New Delhi-110001
Date: 22nd February, 2019

OFFICE MEMORANDUM

Subject: Issue of Payment Failure(s) in DBT Schemes- regarding

In order to streamline DBT payments, Government has been working towards reducing payment failures at the last mile and with consistent efforts, failure rates have come down significantly both in value and volume terms.

2. In this regard, a meeting was held on 29.01.2019 to discuss the mechanisms to further reduce DBT payment failures. The minutes of the meeting are enclosed for information.

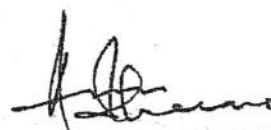
3. In view of the decisions taken in the meeting, all DBT implementing Ministries /Departments are requested to ensure the following:

- a. Beneficiaries may be requested to provide Pradhan Mantri Jan Dhan Yojana (PMJDY) / Basic Saving Bank Deposit (BSBD)/ regular savings bank account to receive DBT and not PPF/ loan/FD/RD account number.
- b. Beneficiaries may be requested to provide correct bank account numbers and the demographic details (name, gender, address etc) should match the information as appearing with banks and with UIDAI, on their Aadhaar.
- c. Beneficiaries may be requested to update their KYC in respect of accounts for receiving DBT payments. They may also request their banks to convert their 'small accounts' into regular PMJDY accounts after KYC updation, as there is no minimum balance requirement in PMJDY accounts.
- d. All Banks have been advised to allow crediting of DBT payments into inoperative / dormant accounts, in line with RBI's circular dated 17.09.2013; and D/o Financial Services' letter no. 1/21/2014-FI(C-69551) dated 01.06.2018.

Cont./-

Cont. from pre-page / -

- e. As per D/o Expenditure OM dated 26.05.2017, all DBT payments to beneficiaries should be routed using relevant DBT scheme codes and through National Payments Corporation of India (using either APB - Aadhaar Payment Bridge or NACH - National Automated Clearing House).



(Arun Sharma)

Director, DBT

Tele: 23343860 Extn: 307

Enclosed: Minutes of the meeting held on 29.01.2019 along with copies of all relevant guidelines and circulars

To:

1. Secretaries of all DBT implementing Ministries/Departments of Government of India
- ✓ 2. Controller General of Accounts, Ministry of Finance, Government of India

Copy to:

1. Senior PPS to Secretary (Coordination), Cabinet Secretariat
2. PA to Joint Secretary (DBT), Cabinet Secretariat

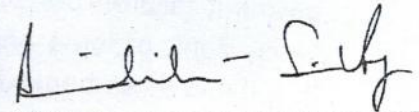
F. No. 1/21/2014-FI (Vol.II.) (C- 69551)
Government of India
Ministry of Finance
Department of Financial Services

3rd floor, Jeevan Deep Building,
Sansad Marg, New Delhi
Dated: 8 February, 2019

Meeting Notice

**Subject: Minutes of the meeting to discuss issues of Payment Failure(s)
in DBT Schemes held on 29.01.2019 in DFS**

Please find enclosed minutes of the meeting held under the chairmanship of Joint Secretary (FI), Department of Financial Services on 29.01.2019 in Department of Financial Services, 3rd Floor, Jeevan Deep Building, Sansad Marg, New Delhi to discuss issues of Payment Failure(s) in DBT Schemes for information and necessary action.



(Anindita SinhaRay)
• Director (FI)
Tel: 011-23748718
Email: anindita@nic.in

Encl: as above

1. Director (DBT), DBT Mission
2. Chairman, State Bank of India
3. MD& CEOs of Central Bank of India and Bank of India
4. General Manager (Shri S.K. Jha), DPSS, RBI (cgmdpssco@rbi.org.in,
skjha@rbi.org.in)
5. CEO, NPCI

Copy for information and necessary action to :

1. Chairman/ MD&CEOs of Public Sector Banks
2. MD& CEOs of Axis Bank, HDFC Bank, ICICI Bank and J & K Bank
3. CEO, IBA (for circulating to other member banks)

Copy to:

1. JS (FI), DFS
2. Dir. (ASR), DFS

Minutes of the meeting on Payment Failures in DBT Schemes held on 29.01.2019 at 4.30 pm in Department of Financial Services, Jeevan Deep Building, Sansad Marg, New Delhi under chairmanship of Joint Secretary (FI)

A meeting was held on issues relating to payment failures in Direct Benefit Transfer (DBT) schemes on 29.01.2019 under chairmanship of Joint Secretary (FI) in Department of Financial Services (DFS), New Delhi with representatives from DBT Mission, State Bank of India, Central Bank of India, Bank of India, and National Payments Corporation of India (NPCI). Representatives from Reserve Bank of India (RBI) joined through video conference. List of participants is enclosed.

2. Joint Secretary, DFS welcomed the participants and broadly flagged the issues in respect of payment failure under different DBT schemes as received from DBT implementing ministries/ Department and DBT Mission. Director (FI) informed that as per the data on payment failure received from DBT mission, about 92% of the payment failures pertain to three banks viz. State Bank of India, Central Bank of India, Bank of India and remaining 8% pertain to various other banks. In view of this, these three banks have also been called in this meeting to ascertain their views/ response for such failure.

3. Director, DBT Mission highlighted about the avoidable cases of DBT payment failure. He also emphasised that based on the extant guidelines issued by RBI and the Government, the payment failure cases could be minimised to the extent possible.

4. Based on the detailed discussion following decisions are taken during the meeting:

(I) DBT Mission would advise the DBT implementing Ministries to ensure the following:

- i. Beneficiaries to provide Pradhan Mantri Jan Dhan Yojana (PMJDY)/ Basic Saving Bank Deposit (BSBD), regular Savings Bank (SB) account number, not PPF/loan/FD/RD account number, to receive DBT. Accounts opened under PMJDY do not require to maintain minimum balance.
- ii. The bank account number should be correct and complete
- iii. Beneficiaries to ensure that their name (complete), gender in the list of the beneficiaries maintained by the DBT implementing Ministry are same as those available in the database of the bank in which they have their account and also in Aadhaar, if applicable.
- iv. Beneficiaries to be requested to update their KYC in respect of account in use for receiving DBT. They may also request their Bank to convert their small accounts (tiny in case of SBI), if any, into regular PMJDY accounts after KYC updation.

- v. As per D/o Expenditure OM dated 28.2.2016, all DBT are to be routed through NPCI (either Aadhaar payment bridge or NACH). All concerned should be suitably advised in this matter.

(Action: DBT Mission)

(II) Banks need to ensure the following to minimise cases of DBT payment failure:

- i. Beneficiaries receiving DBT under various government schemes should be encouraged to open accounts under Pradhan Mantri Jan Dhan Yojana (PMJDY) so that there is no requirement of maintaining minimum balance. In this regard, earlier communication of this Department vide letter no. FR-9/39/2018-FI (C-300400873) dated 08.11.2018 is enclosed.
- ii. All KYC updated PMJDY accounts are to be converted into regular BSBD accounts instead of treating them as small account (tiny in case of SBI) In this regard, earlier communication of this Department vide letter no. 1/9/2014-FI (Pt.X) (C-69241) dated 30.09.2016 and 15.03.2017 are enclosed.
- iii. DBT flow should be allowed into inoperative/dormant accounts following RBI circular, dated 17.9.2013 (copy enclosed).
- iv. After seeding of Aadhaar number of DBT beneficiary in CBS of bank is completed, concerned bank should thereafter ensure that the same is also mapped on NPCI mapper.
- v. In case of account is closed / beneficiary expired, the same should be de-seeded from NPCI mapper as well.
- vi. To provide specific error code so that corrective measure could be taken instead of giving miscellaneous error code and giving descriptive text for the reason of failure.
- vii. In respect of DBT payment to small accounts, the earlier communication of this Department vide letter no. 1/21/2014-FI (C-69551) dated 01.06.2018 may also be referred to.

(Action: Banks)

(III) RBI to provide sub-coding under R-11 rejection code.

(Action: RBI)

(IV) DBT Mission to share details of NEFT rejections to RBI so that corrective measures could be taken by RBI accordingly.

(Action: DBT Mission)

(V) NPCI to share their Standard Rejection codes to RBI.

(Action: NPCI)

5. The meeting ended with vote of thanks thank to the Chair.

Pg 11 of 17

Annexure

Meeting on issues relating to payment failures in DBT schemes held in DFS on 29.01.2019

List of participants:

1. Shri Bhushan Kumar Sinha, Joint Secretary (FI), DFS
2. Ms. Anindita SinhaRay, Director (FI), DFS
3. Shri Arun Sharma, Director, DBT Mission
4. Ms. Shalini Gupta, Deputy Director, DBT Mission
5. Shri Pankaj Jindam, RBI, Mumbai (through VC)
6. Shri P. C. Tamta, DGM, SBI
7. Shri Y.P. Arora, AGM, SBI
8. Shri Deepak Kumar, CM-IT, Central Bank of India
9. Shri Dinesh Rawat, Manager, Central Bank of India
10. Shri Arun Prasad Jadyana, Chief Manager, Bank of India
11. Ms Cherry Dhillon, Deputy Manager, NPCI
12. Shri Pratap Parida, NPCI
13. Shri Sahil Sharma, NPCI
14. Shri Gaurav Loomba, NPCI
15. Shri Amit Kumar, PNB
16. Shri G B Panda, GM, BoB
17. Shri S.K. Verma, BoB



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI /2013-14/262

DBOD.No. Leg. BC.53 / 09.07.005/2013-14

September 17, 2013

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir/Madam,

**Unclaimed Deposits/Inoperative Accounts in banks –
Treatment of certain savings bank accounts opened for credit of Scholarship
amounts and credit of Direct Benefit Transfer under Government Schemes**

Please refer to Circular DBOD. No. Leg.BC.34/09.07.005/2008-09 dated August 22, 2008 on unclaimed deposits/inoperative accounts wherein banks were advised that a savings or current account should be treated as inoperative/dormant if there are no transactions in the account for over a period of two years and the safeguards to be adopted in dealing with such accounts.

2. State and Central Governments have expressed difficulties in crediting cheques/Direct Benefit Transfer/Electronic Benefit Transfer/Scholarships for students, Zero Balance Accounts, etc. into accounts opened for the beneficiaries under various Central/State Government schemes but had been classified as dormant/inoperative due to non-operation of the account for over two years.

3. Keeping the above in view, banks are advised that they may allot a different "product code" in their CBS to all such accounts opened by banks so that the stipulation of inoperative/dormant account due to non-operation does not apply while crediting proceeds as mentioned in para 2 above.

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 12 वी मंजिल, केंद्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग मुंबई 400001
Department of Banking Operations and Development, Central Office, 12th Floor, Central Office Building, Shahid Bhagat Singh
Marg., Mumbai, 400001

टेलीफोन/Tel No:91-22-22661602 फैक्स/Fax No:91-22-22705691 Email ID:cgmicdbodco@rbi.org.in

हिंदी अखबार है, इसका उपयोग न करें

Pg 13 of 17



4. In order to reduce the risk of fraud etc., in such accounts, while allowing operations in these accounts, due diligence should be exercised by ensuring the genuineness of transactions, verification of signature and identity, etc. However, it has to be ensured that the customer is not inconvenienced in any manner.

Yours faithfully,

(Rajesh Verma)
Chief General Manager

F. No. 1/9/2014-FI (PLX) (C-69241)

Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevandeep Building, Sansad Marg
New Delhi, dated the 30th September, 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 (ESBDA)- reg.

Sir(s) / Madam (s),

Please refer to this Department's letter no. 1/9/2014 (Pl.XI) (C-69300) dated 10/05/2016 on the above cited subject regarding observing due diligence in Small Accounts opened under PMJDY. Accounts opened under PMJDY provide platform for Direct Benefit Transfer (DBT).

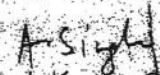
2. It has been informed that various Ministries/ Departments of Government of India and some State Governments are facing problem in transfer of benefits in certain schemes due to restrictions imposed (restrictions on withdrawal of amounts more than Rs.10000/-, balance in the accounts to not exceed Rs.50000/- at any point of time, credit limit not to be more than Rs.1 lakh) in the Small Accounts opened under PMJDY. As on 22.6.2016, there are 8.29 crore small accounts, which is about 37% of the PMJDY accounts.

3. As per RBI guidelines, 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 complete KYC of Small Accounts at the earliest so that customers are not put to hardship due to restrictions imposed under 'Small Account'.

5. Action taken in this regard may be furnished at missionfi@nic.in with a copy to ashok.singh69@nic.in.

Yours sincerely,


(Ashok Kumar Singh)
Director
Tel: 23346874

Copy to:
Mission Office, PMJDY:- For information and follow up with banks

टिप्पण : मूल नियम भारत के राजपत्र, आसाधारण भाग II, खंड 3, उपखंड (i) में सा.का.नि. सं.444 (अ), तारीख 1 जुलाई, 2005 को प्रकाशित किए गए थे और तत्पश्चात् सा.का.नि. सं.717 (अ), तारीख 13 दिसंबर, 2005, सा.का.नि. सं.389 (अ), तारीख 24 मई, 2007, सा.का.नि. सं.816 (अ), तारीख 12 नवंबर, 2009, सा.का.नि. सं.76 (अ), तारीख 12 फरवरी, 2010, सा.का.नि. सं.508 (अ), तारीख 16 जून, 2010, सा.का.नि. सं.980 (अ), तारीख 16 दिसंबर, 2010, सा.का.नि. सं.481 (अ), तारीख 24 जून, 2011, सा.का.नि. सं.576 (अ), तारीख 27 अगस्त, 2013, सा.का.नि. सं. 288 (अ), तारीख 15 अप्रैल, 2015, सा.का.नि. सं. 544 (अ), तारीख 7 जुलाई, 2015, सा.का.नि. सं.633 (अ), तारीख 11 सितंबर, 2015, सा.का.नि. सं. 730(अ), तारीख 22 सितंबर, 2015, सा.का.नि. सं. 882(अ), तारीख 18 नवंबर, 2015, सा.का.नि. सं. 347(अ), तारीख 12 अप्रैल, 2017 और सा.का.नि. सं. 538(अ), तारीख 1 जून, 2017 को संशोधन किए गए थे।

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 21st August, 2017

G.S.R. 1038(E).—In exercise of the powers conferred by sub-section (1) read with clause (h), clause (i), clause (j) and clause (k) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following further amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, namely:-

1. (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records) Third Amendment Rules, 2017.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, in rule 2, in sub-rule (1), in clause (fb), in the sub-clause (iii), the following proviso shall be inserted, namely:-

Small
accounts

“Provided that this limit on balance shall not be considered while making deposits through government grants, welfare benefits and payment against procurements.”

[Notification No. 3/2017/F.No. P.12011/11/2016-ES Cell-DoR]

BIPLAB KUMAR NASKAR, Under Secy.

Note :- The principal rules were published in Gazette of India, Extraordinary, Part-II, Section 3, Sub-Section (i) vide number G.S.R. 444 (E), dated the 1st July, 2005 and subsequently amended by number G.S.R. 717 (E), dated the 13th December, 2005, number G.S.R. 389 (E), dated the 24th May, 2007, number G.S.R. 816 (E), dated the 12th November, 2009, number G.S.R. 76 (E), dated the 12th February, 2010, number G.S.R. 508 (E), dated the 16th June, 2010, number G.S.R. 980 (E), dated the 16th December, 2010, number G.S.R. 481 (E), dated the 24th June, 2011 and number G.S.R. 576 (E), dated the 27th August, 2013, number G.S.R. 288 (E), dated the 15th April, 2015, number G.S.R. 544 (E), dated the 7th July, 2015, number G.S.R. 693 (E), dated the 11th September, 2015, number G.S.R. 730 (E), dated the 22nd September, 2015, number G.S.R. 882 (E), dated the 18th November, 2015, number G.S.R. 347 (E), dated the 12th April, 2017 and number G.S.R. 538 (E), dated the 1st June, 2017.

ALOK

KUMAR

Digitally signed
by ALOK KUMAR
Date: 2017.08.22
16:18:19 +05'30'

16/8/17

(7)

F. No. 1/21/2014 -FI (C-69551)
Government of India
Ministry of Finance
Department of Financial Services

3rd floor, Jeevan Deep Building, Sansad Marg
New Delhi-110 001
Dated 1 June 2018

To

Chairman/Chief Executive Officer
Scheduled Commercial Banks &
Major Private Sector Banks

Sub: Rejection of Government grant, welfare benefits and payments against procurements in small accounts and rejection in inoperative/dormant accounts

Ref: 1. Amendment to Prevention of Money-laundering (maintenance of Records) Rules, 2005 relating to small accounts (G.S.R 1038(E)) dated 21.8.17.

2. RBI circular no. DBOD.No.Leg.BC.53/09.07.005/2013-14 dated 17.09.2013 pertaining to credit of scholarship and DBT under Government schemes

Reference is invited to this Department's letter no. 1/21/2014-FI (C-69551) dated 28.8.18 on the above subject. It has come to notice that government grant/welfare benefits credit in small account is not allowed by many banks, thus leading to denial of benefits to small accounts holders. It is reiterated that all banks should comply with the provisions of G.S.R 1038(E) dated 21.8.17.

2. Ministry of Tribal affairs have also brought to notice about non credit of scholarship / fellowship in beneficiary accounts. Verification of such accounts reveals that benefit was denied in many accounts as accounts were dormant/ inoperative. In this regards RBI circular referred above is very clear that scholarship and benefits should not be rejected in such accounts which receive the government benefits and banks should assign separate product code so that stipulation of inoperative/dormant accounts due to non-operation does not apply while crediting proceeds. All the banks are instructed to follow the RBI circular and ensure that no such accountholders are denied the credit of benefits.

3. Banks are requested to forward the Compliance Report for RBI Circular and PMLA Notification by 30.06.2018.

Yours faithfully,

A. Singh
(Ashok Kumar Singh)
Director (FI)

Tel. 011-23346874

Email: ashok.singh69@nic.in

Copy to: Secretary, Ministry of Tribal Affairs, New Delhi.