



FINO Payments Bank

Basic Savings Bank Deposit
Account (BSBDA) policy
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Document review and approval

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A. Policy usage guide

This section explains the structure of the policy document and the purpose of the same is to enable easy navigation and understanding of the contents of the document by various stakeholders. The Policy is organized in the following sections:

Regulatory reference

This section outlines the list of applicable regulations to the current policy document. The name of regulation issued by various regulators along with the date and reference number will be listed under this section.

The purpose of the same is to enable various stakeholders in identification of applicable regulations for the policy and act as a ready reference for the regulations.

Basic Savings Bank Deposit Accounts (BSBDA)

This section is the introduction of the BSBDA.

Product Features

This section lists down the benefits & product feature of BSBDA type. Also, this section explains the KYC documentations norms as per the master direction.

Glossary

This section contains the definition of key terms used in the policy as per the applicable regulatory guidelines and industry standards.

B. Regulatory reference

The following key regulations, as updated from time to time are applicable to the current policy document.

Regulator	Regulation name	Date	Regulation code
RBI	Master Circular on Customer Service in Banks	1 July, 2015	RBI/2015-16/59 DBR No.Leg.BC.21/09.07.006/2015-16
RBI	Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA)	10 June, 2019	RBI/2018-19/206 DBR.LEG.BC.No.47/09.07.005/2018-19
RBI	Master Direction- “Know Your Customer (KYC)” Directions, 2016	25 February, 2016	RBI/DBR/2015-16/18 DBR.AML.BC.No.81/14.01.001/2015-16

Remark: A brief summary consisting of extracts of above-mentioned guidelines are outlined in Annexure – I. All these aspects have appropriately been factored in the Policy. The Bank shall comply with the guidelines as forming part of these circulars and those being issued from time to time in this regard.

C. Policy content

1. Introduction

The Basic Savings Bank Deposit Account (BSBDA) is normal savings account with no minimum balance requirement. The services offered with account include deposit/withdrawal at branch/Micro ATM, fund transfer facility, mobile banking, Internet banking, Debit /ATM card, passbook, etc.

Holders of ‘Basic Savings Bank Deposit Account’ will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a ‘Basic Savings Bank Deposit Account’

BSBDA Small Account

BSBDA Small account can only be opened if the customer is not in a position to furnish any officially valid documents shall be allowed with minimum banking facility.

Conditions for BSBDA Small Account

- a. The aggregate of all credits in a financial year does not exceed rupees one lakh;
- b. The aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand;
- c. The balance at any point of time does not exceed rupees fifty thousand;
- d. Remittances from abroad cannot be credited to Small Accounts without completing normal KYC formalities;
- e. Small accounts are valid for a period of 12 months initially which may be extended by another 12 months if the person provides proof of having applied for an Officially Valid Document (OVD).
- f. Small Accounts can only be opened at CBS linked branches of banks.
- g. The account shall be monitored and when there is suspicion of money laundering or financing of terrorism activities or other high-risk scenarios, the identity of the customer shall be established as per Section 16 or Section 18.

2. Product Features

Features / Channels	BSBDA	BSBDA Small
CASH Deposit		
Branch / FOS / Merchant	Unlimited deposits (within the prescribed limit as decided by the bank): Free	Unlimited deposits (within the prescribed limit): Free
Withdrawal across channels		
Branch / FOS /	4 free transactions/month,: 5th	4 free transactions / month,: 5th

Merchant / ATM / IMPS / UPI / NEFT / RTGS / Mobile & Internet banking	Transaction onwards, charge of 0.5% of transaction amount will be applicable.	5th Transaction onwards, charge of 0.5% of transaction amount will be applicable.
Other Charges		
SMS Alert Charges / month	Nil	Nil
Account Closure	Nil	Nil
ATM cum Debit Card	Free	Free

3. Documentation

The account opening will be allowed where KYC is provided in Digital/Physical form i.e. EKYC/ NKYC. Both the BSBDA and BSBDA Small account shall be subject to RBI instructions on KYC/AML for opening of bank accounts issued vide Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 on 'Master Direction - Know Your Customer (KYC) Direction, 2016', as amended from time to time.

D. Frequency of review

Liabilities Product Team is the owner of this policy document and shall review the policy on an annual basis for organizational appropriateness, taking into consideration the state of the business /technology environment and compliance with legal and regulatory requirements. Any regulatory changes to this policy document shall be made effective based on circulation of the internal guidelines with information to the PAC, to be ratified by the Risk & Asset Liability Management Committee at the time of next review of the Policy. Major changes in Bank's approach, if any, will mandatorily necessitate a review of the policy.

Annexure - I

Extracts of Applicable regulatory references

A. RBI's Master Circular on Customer Service in Banks (1 July, 2015)

Basic Savings Bank Deposit Account (BSBDA)

Banks are advised to offer a 'Basic Savings Bank Deposit Account' which will offer following minimum common facilities to all their customers:

- a. The 'Basic Savings Bank Deposit Account' should be considered a normal banking service available to all.
- b. This account shall not have the requirement of any minimum balance.
- c. 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 channels or by means of deposit / collection of cheques drawn by Central / State Government agencies and departments.
- d. While there will be no limit on the 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.
- e. Facility of ATM card or ATM-cum-Debit Card.
- f. The above facilities will be provided without any charges. Further, no charge will be levied for non-operation / activation of in-operative 'Basic Savings Bank Deposit Account'.
- g. Banks would be free to evolve other requirements including pricing structure for additional value-added services beyond the stipulated basic minimum services on reasonable and transparent basis and applied in a non-discriminatory manner.
- h. The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to conditions stipulated for such accounts as indicated in paragraph 3.2.2(I)(A)(vi) of Master Circular dated July 01, 2015 on 'KYC norms / AML standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002'.
- i. Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.
- j. The existing basic banking 'no-frills' accounts should be converted to 'Basic Savings Bank Deposit Account' as per the instructions contained above.

B. RBI's circular on Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA) (10 June, 2019)

1. It has been decided to make certain changes in the facilities associated with the account. Banks are now advised to offer the following basic minimum facilities in the BSBD Account, free of charge, without any requirement of minimum balance.

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

The BSBD Account shall be considered a normal banking service available to all.

- 2. 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 shall 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 will not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge.
- 3. The holders of BSBD Account will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a BSBD Account. Further, before opening a BSBD account, a bank should take a declaration from the customer that he/she is not having a BSBD account in any other bank.
- 4. The BSBD Account shall be subject to RBI instructions on KYC/AML for opening of bank accounts issued vide Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 on 'Master Direction - Know Your Customer (KYC) Direction, 2016', as amended from time to time.
- 5. The instructions issued on free transactions available for normal savings bank account in own-bank/other bank ATMs vide circulars DPSS.CO.PD.No.316/02.10.002/2014-15 dated August 14, 2014 and DPSS.CO.PD.No.659/02.10.002/2014-15 dated October 10, 2014 are not applicable to BSBD accounts. The minimum free withdrawals available to the BSBD Account holders can be made at all ATMs (own-bank/other bank ATMs).
- 6. This circular supersedes earlier instructions issued vide circulars DBOD.No.Leg.BC.35/09.07.005/2012-13 dated August 10, 2012 on 'Financial InclusionAccess to Banking Services-Basic Savings Bank Deposit Account' and DBOD.No.Leg.BC.52/09.07.005/2013-14 dated September 11, 2013 on 'Financial InclusionAccess to Banking Services – Basic Savings Bank Deposit Account (BSBDA) – FAQs'.

C. RBI's Master Direction -Know Your Customer (KYC)" Direction, 2016 (Updated as on 4th January, 2024)

In case an individual customer who does not possess any of the OVDs and desires to open a bank account, banks shall open a 'Small Account', which entails the following limitations:

- i. the aggregate of all credits in a financial year does not exceed rupees one lakh;
- ii. the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand; and
- iii. the balance at any point of time does not exceed rupees fifty thousand.

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

Further, small accounts are subject to the following conditions:

- a. The bank shall obtain a self-attested photograph from the customer.
- b. The designated officer of the bank certifies under his signature that the person opening the account has affixed his signature or thumb impression in his presence. Provided that where the individual is a prisoner in a jail, the signature or thumb print shall be affixed in presence of the officer in-charge of the jail and the said officer shall certify the same under his signature and the account shall remain operational on annual submission of certificate of proof of address issued by the officer in-charge of the jail.
- c. Such accounts are opened only at Core Banking Solution (CBS) linked branches or in a branch where it is possible to manually monitor and ensure that foreign remittances are not credited to the account.
- d. Banks shall ensure that the stipulated monthly and annual limits on aggregate of transactions and balance requirements in such accounts are not breached, before a transaction is allowed to take place.
- e. The account shall remain operational initially for a period of twelve months which can be extended for a further period of twelve months, provided the account holder applies and furnishes evidence of having applied for any of the OVDs during the first twelve months of the opening of the said account.
- f. The entire relaxation provisions shall be reviewed after twenty four months.
- g. Notwithstanding anything contained in clauses (e) and (f) above, the small account shall remain operational between April 1, 2020 and June 30, 2020 and such other periods as may be notified by the Central Government.
- h. The account shall be monitored and when there is suspicion of money laundering or financing of terrorism activities or other high-risk scenarios, the identity of the customer shall be established as per Section 16 or Section 18.
- i. Foreign remittance shall not be allowed to be credited into the account unless the identity of the customer is fully established as per Section 16 or Section 18.

RBI FAQ on Basic Savings Bank Deposit Account

What is the definition of “Basic Savings Bank Deposit Account” (BSBDA)?

All the existing ‘No-frills’ accounts opened pursuant to guidelines issued vide [circular UBD.BPD.Cir.No.19/13.01.000/2005-06 dated November 24, 2005](#) and converted into BSBDA in compliance with the guidelines issued in [circular UBD.BPD.Cir.No.5/13.01.000/2012-13 dated August 17, 2012](#) as well as fresh accounts opened under the said circular should be treated as BSBDA.

2. Whether the guidelines issued on ‘no-frills’ account with ‘nil’ or very low minimum balances will continue even after the introduction of ‘Basic Savings Bank Deposit Account’?

No. In supersession of instructions contained in [circular UBD.BPD.Cir.No.19/13.01.000/2005-06 dated November 24, 2005](#) on No Frill accounts, banks have now been advised to offer a ‘Basic Savings Bank Deposit Account’ to all their customers vide [UBD.BPD.Cir.No.5/13.01.000/2012-13 dated August 17, 2012](#), which will offer minimum common facilities as stated therein. Banks are required to convert the existing ‘no-frills’ accounts’ into ‘Basic Savings Bank Deposit Accounts’.

3. Can an Individual have any number of ‘Basic Savings Bank Deposit Account’ in one bank?

No. An individual is eligible to have only one ‘Basic Savings Bank Deposit Account’ in one bank.

4. Whether a ‘Basic Savings Bank Deposit Account’ holder can have any other savings bank account in that bank ?

Holders of ‘Basic Savings Bank Deposit Account’ will not be eligible for opening any other savings bank account in that bank. If a customer has any other existing savings bank account in that bank, he / she will be required to close it within 30 days from the date of opening a ‘Basic Savings Bank Deposit Account’.

5. Can an individual have other deposit accounts where one holds ‘Basic Savings Bank Deposit Account’?

Yes. One can have Term/Fixed Deposit, Recurring Deposit etc., accounts in the bank where one holds ‘Basic Savings Bank Deposit Account’.

6. Whether the ‘Basic Savings Bank Deposit Account’ can be opened by only certain types of individuals like poor and weaker sections of the population?

No. The ‘Basic Savings Bank Deposit Account’ should be considered as a normal banking service available to all customers, through branches.

7. Whether there are any restrictions like age, income, amount etc criteria for opening BSBDA by banks for individuals?

No. Banks are advised not to impose restrictions like age and income criteria of the individual for opening BSBDA.

8. Is the 'Basic Savings Bank Deposit Account' a part of furthering the Financial Inclusion objectives of banks?

The aim of introducing 'Basic Savings Bank Deposit Account' is very much part of the efforts of RBI for furthering Financial Inclusion objectives. All the accounts opened earlier as 'no-frills' account vide UBD.BPD.Cir.No.19/13.01.000/2005-06 dated November 24, 2005 should be renamed as BSBDA as per instructions contained in paragraph 2 of our Circular UBD.BPD.Cir.No.5/13.01.000/2012-13 dated August 17, 2012.

9. What are KYC norms applicable to BSBDA accounts? Are there any relaxations in KYC norms for BSBDAs?

The 'Basic Savings Bank Deposit Account' would be subject to provisions of PML Act and Rules and RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. BSBDA can also be opened with simplified KYC norms. However, if BSBDA is opened on the basis of Simplified KYC, the accounts would additionally be treated as "BSBDA-Small Account" and would be subject to the conditions stipulated for such accounts as indicated in para 2.6 (iii) of Master Circular No.UBD.BPD.(PCB).MC. No.16 /12.05.001/2012-13 dated July 1, 2013.

10. Can I have a 'Small Account' in ABC Bank as per the Government of India Notification No.14/2010/F.No.6/2/2007-E.S. dated December 16, 2010. Can I have additionally a 'Basic Savings Bank Deposit Account'?

No, the BSBDA customer cannot have any other savings bank account in the same bank. If 'Basic Savings Bank Deposit Account' is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to conditions stipulated for such accounts as indicated in para 2.6 (iii) of Master Circular No.UBD.BPD.(PCB).MC.No.16/12.05.001/2012-13 dated July 1, 2013 on 'KYC norms / AML Measures/ Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002'.

11. What are the conditions stipulated for accounts which are additionally to be treated as 'BSBDA-Small Account'?

As notified in Govt of India notification dated December 16, 2010, BSBDA-Small Accounts would be subject to the following conditions:

- i. Total credits in such accounts should not exceed one lakh rupees in a year.
- ii. Maximum balance in the account should not exceed fifty thousand rupees at any time
- iii. The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in a month
- iv. Remittances from abroad can not be credited to Small Accounts without completing normal KYC formalities
- v. Small accounts are valid for a period of 12 months initially which may be extended by another 12 months if the person provides proof of having applied for an Officially Valid Document.

vi. Small Accounts can only be opened at CBS linked branches of banks or at such branches where it is possible to manually monitor the fulfilment of the conditions.

12. What kinds of services are available free in the 'Basic Savings Bank Deposit Account'?

The services available free in the 'Basic Savings Bank Deposit Account' will include deposit and withdrawal of cash; receipt / credit of money through electronic payment channels or by means of deposit / collection of cheques at bank branches as well as ATMs.

13. of any initial minimum deposit Is there requirement while opening a BSBDA as per the circular dated August 17, 2012?

There is no requirement for any initial deposit for opening a BSBDA.

14. Whether banks are free to offer more facilities than those prescribed for 'Basic Savings Bank Deposit Account'?

Yes. However, the decision to allow services beyond the minimum prescribed has been left to the discretion of the banks who can either offer additional services free of charge or evolve requirements including pricing structure for additional value-added services on a reasonable and transparent basis, to be applied in a non-discriminatory manner with prior intimation to the customers. Banks are required to put in place a reasonable pricing structure for value added services or prescribe minimum balance requirements which should be displayed prominently and also informed to the customers at the time of account opening. Offering such additional facilities should be non - discretionary, non-discriminatory and transparent to all 'Basic Savings Bank Deposit Account' customers. However, such accounts enjoying additional facilities will not be treated as BSBDAs.

15. If BSBDA customers have more than 4 withdrawals and request for cheque book at additional cost, will it cease to be a BSBDA?

Yes. Please refer to response to the Query No. 14. However, if the bank does not levy any additional charges and offers more facilities free than those prescribed under BDBDA a/cs without minimum balance then such a/cs can be classified as BSBDA.

16. Whether the existing facility available in a normal saving bank account of five free withdrawals in a month in other banks ATMs as per IBA (DPSS) instructions will hold good for BSBDA?

No. In BSBDA, banks are required to provide free of charge minimum four withdrawals, through ATMs and other mode including RTGS/NEFT/Clearing/Branch cash withdrawal/transfer/internet debits/standing instructions/EMI etc It is left to the banks to either offer free or charge for additional withdrawal/s. However, in case the banks decide to charge for the additional withdrawal, the pricing structure may be put in place by banks on a reasonable, non-discriminatory and transparent manner.

17. Are the banks free to levy Annual ATM Debit Card charges?

Banks should offer the ATM Debit Cards free of charge and no Annual fee should be levied on such Cards.

18. Whether Balance enquiry in ATMs also should be counted within the four withdrawals permitted under BSBDA?

Balance enquiry through ATMs should not be counted in the four withdrawals allowed free of charge at ATMs.

19. If a customer of BSBDA opts not to have ATM Debit card, should the bank compel the customer to accept the ATM debit card ?

ATM debit cards may be offered at the time of opening BSBDA and issued if the customer requests for the same in writing. Banks need not insist that a customer accepts ATM debit card.

20. What about customers who are illiterate or old who may not be in a position to safe keep and use the ATM debit card and PIN associated with it?

Banks while opening the BSBDA should educate such a customers about the ATM Debit Card, ATM PIN and risk associated with it. However, if a customer chooses not to have an ATM Debit Card, banks need not compel such customer to accept ATM Debit Card. If, however, customer opts to have an ATM Debit card, banks should provide the same to BSBDA holders through safe delivery channels by adopting the same procedure which they have been adopting for delivery of ATM Debit card and PIN to their other customers.

21. Whether Passbooks are also to be offered free to BSBDA holders?

Yes. BSBDA holders should be offered passbook facility free of charge in line with our instructions contained in [Circular UBD.CO.\(PCB\).Cir.No.15/09.39.000/2006-07 dated October 16, 2006.](#)

22. If a customer opens a BSBDA but does not close his existing Savings Bank Account within 30 days, are banks then free to close such savings bank accounts?

While opening the BSBDA customers' consent in writing be obtained that his existing non-BSBDA Savings Banks accounts will be closed after 30 days of opening BSBDA and banks are free to close such accounts after 30 days.

23. In certain accounts to which disbursements under MGNREGA are made weekly, the number of withdrawals may be more than four in a month of five weeks. In such cases, can banks permit five withdrawals?

In BSBDA, banks are required to provide free of charge minimum four withdrawals, including through ATM and other mode. Beyond four withdrawals, it is left to discretion of the banks to either offer free or charge for additional withdrawal/s. However pricing structure may be put in place by banks on a reasonable, non-discretionary, non-discriminatory and transparent manner.

24. What is the prescribed rate of interest payable on balances in such ‘Basic Savings Bank Deposit Account’?

Our instructions contained in [circular UBD.BPD\(PCB\).Cir.No.18/13.01.000/2011-12 dated February 7, 2012](#) on Deregulation of Savings Bank Deposit Interest Rate, are applicable to deposits held in ‘Basic Savings Bank Deposit Account’.

25. In terms of RBI circular [DPSS. CO.CHD. No. 274/03.01.02/2012-13 dated August 10, 2012](#), if “payable at par” / “multi-city” cheques are issued to BSBDA customers based on their request, can banks prescribe minimum balance requirements?

BSBDA does not envisage cheque book facility in the minimum facilities that should be provided to BSBDA customers. They are free to extend any additional facility including cheque book facility free of charge (in which case the account remains BSBDA) or charge for the additional facilities (in which case the account is not BSBDA).

26. What is the time frame available to banks for converting “No-Frills” Account as Basic Savings Bank Deposit Account? What is the time frame available to banks for issuing ATM Cards to all the existing Basic Savings Bank Deposit Account holders?

All the existing “No-Frill” accounts may be treated as BSBDA accounts from the date of the circular i.e., August 17, 2012 and banks may offer the prescribed facilities as per the circular such as issuing ATM card etc., to the existing ‘No-Frill’ account holders as and when the customer approaches the bank. However, customers opening new accounts after the issue of our circular should be provided prescribed facilities immediately on opening of the account.

27. Whether the normal saving bank account can be converted into BSBDA at the request of customer?

Yes. Such customers should give their consent in writing and they should be informed of the features and extent of services available in BSBDAs.