

Basic Savings Bank Deposit Account (UCBs)

1. 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 BSBDA's?

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 BSBDA.

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 BSBDA 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 BSBDA's.