

Green Banking and CSR Department
Bangladesh Bank
Head Office
Dhaka.

GBCSRD Circular No: 07

October 28, 2013
Date -----
Kartik 13, 1420

Managing Director/Chief Executive
All Scheduled Banks in Bangladesh

Dear Sir,

Guidelines on School Banking

With a view to enhancing financial inclusion of the country by ensuring the participation of school students in the economic viz-a-viz banking activities through savings and creating savings attitude among students through involving them in the modern banking service and technology, Bangladesh Bank advised all scheduled banks to introduce School Banking in 2010. In consequence to that, most of the banks have introduced school banking and have achieved significant progress in School Banking activities. To reach banking services to the students in an appropriate manner through ensuring more transparency, awareness and acceleration into this activity, following guidelines on operation of School Banking Activities is issued to all scheduled banks for their compliance:

- 1. Opening of Account :** Students age of six years to below eighteen years will be able to open account under School Banking Operation¹;
- 2. Operation of Account:** School Banking account have to be operated through father/mother or Legal Guardian of the students;
- 3. Account Opening Form:** Existing Uniform Account Opening Form and KYC Form will be used to open School Banking accounts and instructions issued vide Circular Letter no. AMLD-1(policy)/2008-2324, dated June 30, 2008 of Bangladesh Financial Intelligence Unit will be applicable. For such accounts, both Guardian and student have to fill up Personal Information part of Account Opening Form and both forms must be signed by the legal guardian;

¹ The minimum age for primary education is 6 years under National Education Policy 2010 and all citizens under 18 years are considered as minor according to The Majority Act, 1875 (Section-3)

- 4. Nature of Account:** Such type of accounts will be opened as Savings Account. However, if necessary, any type saving schemes can be opened by transferring balance from these accounts;
- 5. Minimum Initial Deposit:** Minimum initial deposit for such accounts will be Tk. 100/- (one hundred);
- 6. Nationality:** Both the account holder and Guardian/Legal Guardian will be citizen of Bangladesh;
- 7. Required Documents to Open Account:** Proper KYC of both the account holder and account operator must be ensured. In this context, the attested photocopies of birth registration certificate and institutional identity card/Certificate issued by Educational Institute/Receipt of School Fees of latest month of students have to be collected. All these documents must be preserved in the bank;
- 8. Sources of Fund of Account Holder:** The legal source of fund deposited in the account must be verified and related transactions must be rational in this respect;
- 9. ATM Card:** ATM card (only debit card) can be issued against this type of account. Maximum limit for monthly withdrawal through ATM Card and Point of Sales (POS) will be Tk. 2000/-. This limit may be increased up to Tk. 5000/- on request of the Guardian. There will be a system of SMS Transaction Alert to the mobile number of account holders' guardian's. (transaction details will be available to the guardian's mobile through SMS just after the transaction taken place);
- 10. Service Charge/Fee:** No service charge/fee will be imposed on this type of account except government fees. If ATM Card is issued against School Banking accounts, ATM Card issue fee and renewal fee will be considered from the same point of view.
- 11. Collection of Fees from Students:** Banks can collect monthly fee of students on behalf of educational institutions (by having understanding with educational institutions) through such accounts. Banks will inspire the educational institutions so that the students of every school can be brought under banking services;
- 12. Establishment of School banking Counter/Desk:** Concerned bank branches may establish separate School banking Counter/Desk to facilitate banking activities among students. Banks will provide deposit/withdrawal services along with other banking services through this counter. Moreover, bank branches may provide this service in one or more fixed day by opening booth in the premises of educational institutions by having their consent;

13. Deposit of scholarship/stipend Benefit: All kinds of scholarship/stipend of students can be deposited through School Banking Account. In this regard, scholarship/stipend provider Government/Semi-Government/Autonomous/ Private institutions have to sign a Memorandum of Understanding with the concerned banks;

14. Education Insurance: Concerned banks can provide education insurance facility to these accounts as such if any student faces financial crisis to run his/her education due to family/natural causes then, it will be possible to facilitate them under this insurance coverage;

15. Reporting and Disclosure of School Banking Activities: Banks shall have to submit the Progress Report (as per enclosed format) of their School Banking Activities to the Green Banking and CSR Department of Bangladesh Bank on quarterly basis. This report has to be submitted within the next 15 (fifteen) days of each quarter. Banks will submit their first quarterly report based on December 31, 2013 within January 15, 2014. Besides this, banks will disclose the updated information on school banking activities in their annual report and website.

16. Others:

16.1. Banks will also comply with related acts, rules, regulation and policy guidelines circulated by Bangladesh Bank in case of School Banking accounts;

16.2. Whenever account holder (student) will turn into 18 years; the account will be transformed into regular savings account with his/her consent and then will be continued. In this regard, related rules-regulations and policy guideline circulated by Bangladesh bank will be applicable as usual;

Mentionably, in case of converting into savings accounts, full KYC must be accomplished and others declaration letter with TP must be obtained. After completing eighteen years of the account holder and before converting into a regular savings account, no withdrawal will be allowed (except account closure) in that period;

16.3. This guideline will also be applicable for School Banking accounts which have been opened before issuing this circular.

These directions made herewith by this circular will come into force with immediate effect.

Please acknowledge receipt.

Yours faithfully,



(Md. Khurshid Alam)

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