

RBI tweaks norms for interest on unclaimed amount after deposit matures



The [Reserve Bank of India](#) (RBI) on Friday tweaked the norms for interest on the amount left unclaimed with the bank after a term deposit matures.

Currently, if a term deposit matures and the proceeds are unpaid, the amount left unclaimed with the bank attracts the rate of interest as applicable to savings deposits.

"On a review...it has been decided that if a term deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as

applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower," the [RBI](#) said in a circular.

The new norms are applicable for deposits in all commercial banks, small finance banks, local area banks, and cooperative banks.

Term deposit refers to a interest bearing deposit received by the bank for a fixed period. It also includes deposits such as recurring, cumulative, annuity, reinvestment deposits and cash certificates.

[Reserve Bank of India](#)