

## BSBDA Policy 5.0

### Note for PAC

#### Policy name – BSBDA Policy

The policy as enclosed was last approved by the Board on **2nd February 2023**. The policy has been reviewed and requires no change.

We request PAC to recommend to the Board for their approval.

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Name of the Department – Product – Liabilities

Date – 01.12.2023



**FINO Payments Bank**

Basic Savings Bank Deposit  
Account (BSBDA) policy  
Version 5.0

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**Document review and approval****Revision history**

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**This document has been reviewed by**

Version	Reviewer	Department	Date reviewed
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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 provides 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
<b>CASH Deposit</b>		
Branch / FOS / Merchant	Unlimited deposits (within the prescribed limit): Free	Unlimited deposits(within the prescribed limit): Free
<b>Withdrawal across channels</b>		
Branch / FOS / Merchant / ATM / IMPS / UPI / NEFT / RTGS / Mobile & Internet banking	4 free transactions/month,; 5th Transaction onwards, charge of 0.5% of transaction amount will be applicable.	4 free transactions / month,; 5th Transaction onwards, charge of 0.5% of transaction amount will be applicable.
<b>Other Charges</b>		
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.Boththe BSBDAand 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.



**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 Inclusion Access 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 Inclusion Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA) – FAQs'.

**C. RBI's Master Direction -Know Your Customer (KYC)" Direction, 2016 (Updated as on4<sup>th</sup> 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.