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FREQUENTLY ASKED QUESTIONS

Withdrawal of Legal Tender Character of the existing Bank Notes in the denominations of ₹ 500/- and ₹ 1000/- (Updated as on November 23, 2016)

(Updated as on November 23, 2016)

(Updated as on November 22, 2016)

(Updated as on November 21, 2016)

(Updated as on November 18, 2016)

(Updated as on November 16, 2016)

(Updated as on November 14, 2016)

(Updated as on November 12, 2016)

(Updated as on November 11, 2016)

(Updated as on November 08, 2016)

1. Why is this scheme introduced?

The incidence of fake Indian currency notes in higher denomination has increased. For ordinary persons, the fake notes look similar to genuine notes, even though no security feature has been copied. The fake notes are used for antinational and illegal activities. High denomination notes have been misused by terrorists and for hoarding black money. India remains a cash based economy hence the circulation of Fake Indian Currency Notes continues to be a menace. In order to contain the rising incidence of fake notes and black money, the scheme to withdraw has been introduced.

2. What is this scheme?

The legal tender character of the existing bank notes in denominations of ₹500 and ₹1000 issued by the Reserve bank of India till November 8, 2016 (hereinafter referred to as Specified Bank Notes) stands withdrawn. In consequence thereof these Bank Notes cannot be used for transacting business and/or store of value for future usage. The Specified Bank Notes can be exchanged for value at any of the 19 offices of the Reserve Bank of India or at any of the bank branches of commercial banks/ Regional Rural Banks/ Co-operative banks or at any Head Post Office or Sub-Post Office.

District Central Cooperative Banks (DCCBs) can allow their existing customers to withdraw money from their accounts upto ₹ 24,000 per week upto November 24, 2016. No exchange facility against the specified bank notes (₹ 500 and ₹ 1000) or deposit of such notes should be entertained by DCCB's. The Reserve Bank has accordingly advised all banks to permit withdrawal of cash by DCCBs from their accounts based on need.

3. Does the scheme apply to pre 2005 banknotes of ₹ 500 and ₹ 1000?

Yes, specified banknotes (SBN) include pre 2005 banknotes in the denominations of ₹500 and ₹1000. Banks should accept for exchange as well as for deposit, pre-2005 bank notes in the denominations of ₹ 500 and ₹ 1000 under the scheme.

4. How much value will I get?

You will get value for the entire volume of notes tendered at the bank branches / RBI offices.

5. Can I get all in cash?

No. You will get upto ₹ 2000 per person in cash exchange over the counter irrespective of the size of tender and anything over and above that will be receivable by way of credit to bank account.

6. Why I cannot get the entire amount in cash when I have surrendered everything in cash?

The Scheme does not provide for it, given its objectives.

7. ₹ 2000 cash is insufficient for my need. What to do?

You can use balances in bank accounts to pay for other requirements by cheque or through electronic means of payments such as Internet banking, mobile wallets, IMPS, credit/debit cards etc.

8. What if I don't have any bank account?

You can always open a bank account by approaching a bank branch with necessary documents required for fulfilling the KYC requirements.

9. What if, if I have only JDY account?

A JDY account holder can avail the exchange facility subject to the caps and other laid down limits in accord with norms and procedures.

10. Where can I go to exchange the notes?

The exchange facility is available at all Issue Offices of RBI and branches of commercial banks/RRBS/ Co-operative banks or at any Head Post Office or Sub-Post Office.

11. Need I go to my bank branch only?

For exchange upto ₹ 2000 in cash you may go to any bank branch with valid identity proof.

For exchange over ₹ 2000, which will be accorded through credit to Bank account only, you may go to the branch where you have an account or to any other branch of the same bank.

In case you want to go to a branch of any other bank where you are not maintaining an account, you will have to furnish valid identity proof and bank account details required for electronic fund transfer to your account.

12. Can I go to any branch of my bank?

Yes you can go to any branch of your bank.

13. Can I go to any branch of any other bank?

Yes, you can go to any branch of any other bank. In that case you have to furnish valid identity proof for exchange in cash; both valid identity proof and bank account details will be required for electronic fund transfer in case the amount to be exchanged exceeds ₹ 2000.

14. Can I exchange ₹ 2000 more than once?

No. You can exchange upto ₹ 2000 only once. As per the Standard Operating Procedure advised to banks, while exchanging the specified banknotes, the bank branch concerned, issue office of RBI or post offices would put indelible ink mark on the right index finger of the customer so as to identify that he/she has exchanged the old currency notes. The indelible ink will be applied before the old notes are taken or new notes are given. Indelible ink on the index finger of the left hand or any other finger of the left hand may not be used as a pretext to deny exchange of old notes.

This procedure would be introduced to begin with in the metro cities and later extended to the other areas.

15. I have no account but my relative / friend has an account, can I get my notes exchanged into that account?

Yes, you can do that if the account holder relative/friend etc. gives you permission in writing. While exchanging, you should provide to the bank, evidence of permission given by the account holder and your valid identity proof.

16. Should I go to bank personally or can I send the notes through my representative?

Personal visit to the branch is preferable. In case it is not possible for you to visit the branch you may send your representative with an express mandate i.e. a written authorisation. The representative should produce authority letter and his / her valid identity proof while tendering the notes.

17. Can I withdraw from ATM?

The ATMs are progressively getting recalibrated. As and when they are recalibrated, the cash limit of such ATMs will stand enhanced to ₹ 2500/- per withdrawal. This will enable dispensing of lower denomination currency notes for about ₹ 500/- per withdrawal. Other ATMs which are yet to be recalibrated, will continue to dispense ₹ 2000/- till they are recalibrated.

Banks have also been advised to increase the Business Correspondents' limit of dispensing cash to ₹ 2500/- for withdrawal from bank accounts.

18. What will be the levied ATM charges?

It has been decided that banks shall **waive** levy of ATM charges for all transactions (inclusive of both financial and non-financial transactions) by savings bank customers done at their own banks' ATMs as well as at other banks' ATMs, irrespective of the number of transactions during the month. This waiver is applicable on transactions done at ATMs from November 10, 2016 till December 30, 2016, subject to review.

19. Does the limit of ₹ 10,000 withdrawal apply to withdrawals from bank account of one bank from another bank?

The daily limit of ₹ 10000/- per day stands withdrawn. These limits are not applicable to cash withdrawal from a bank account by one bank from another bank, Post Office, Money changers operating at International airports and operators of White Label ATMs. The branches maintaining Currency Chests have been advised to accommodate the requests from other branches in their vicinity – linked or otherwise – for supply of cash.

20. Can I withdraw cash against cheque?

Yes, you can withdraw cash against withdrawal slip or cheque subject to a weekly limit of ₹ 24000/- (including withdrawals from ATMs and over the counter) from the bank accounts. The ceiling of ₹10,000/- in a day stands withdrawn. The limits apply upto November 24, 2016, after which these may be reviewed.

Business entities having Current Accounts which are operational for last three months or more will be allowed to draw ₹ 50,000/-per week. This can be done in a single transaction or multiple transactions. This facility has been extended to Overdraft and Cash Credit accounts and traders registered with the Agricultural Produce Market Committee (APMC) markets or mandis. Accordingly, holders of current / overdraft / cash credit accounts, which are operational for the last three months or more, may withdraw upto ₹ 50000 in cash, in a week. Such withdrawals may be disbursed predominantly in ₹ 2000 denomination bank notes. This enhanced limit for weekly withdrawal is not applicable for personal overdraft accounts. Farmers are allowed to draw upto ₹ 25000/- per week in cash from their loan (including Kisan Credit Card limit) or deposit accounts subject to their accounts being compliant with the extant KYC norms.

21. Can I withdraw a higher amount for the purpose of my ward's wedding?

With a view to enable members of the public to perform and celebrate weddings of their wards it has been decided to allow a cash withdrawal of maximum ₹ 250000/- from their bank deposit accounts till December 30, 2016 to meet wedding related expenses. This is subject to the following conditions:

- i. Withdrawals are permitted only from fully KYC compliant accounts.
- ii. The amounts can be withdrawn only if the date of marriage is on or before December 30, 2016.
- iii. Withdrawals can be made by either of the parents or the person getting married. (Only one of them will be permitted to withdraw).
- iv. Since the amount proposed to be withdrawn is meant to be used for cash disbursements, it has to be established that the persons for whom the payment is proposed to be made do not have a bank account.

v. The application for withdrawal shall be accompanied by following documents:

- a. An application as per the format
- b. Evidence of the wedding, including the invitation card, copies of receipts for advance payments already made, such as Marriage hall booking, advance payments to caterers, etc.
- c. A detailed list of persons to whom the cash withdrawn is proposed to be paid, together with a declaration from such persons that they do not have a bank account, where the amount proposed to be paid is \square 10,000/- or more. The list should indicate the purpose for which the proposed payments are being made.

Banks may keep a proper record of the evidence and produce them for verification by the authorities in case of need. The scheme will be reviewed based on authenticity/ bona fide use thereof. Yet, banks should encourage families to incur wedding expenses through non-cash means viz. cheques /drafts, credit/debit cards, prepaid cards, mobile transfers, internet banking channels, NEFT/RTGS, etc. Therefore, members of the public should be advised, while granting cash withdrawals, to use cash to meet expenses which have to be met only through cash mode.

22. What is being done for the farmers?

Farmers are allowed to draw upto \square 25000/- per week in cash from their loan (including Kisan Credit Card limit) or deposit accounts subject to their accounts being compliant with the extant KYC norms. Specified banknotes in the denomination can be used for making payments towards purchase of seeds from the centres, units or outlets belonging to the Central or State Governments, Public Sector Undertakings, National or State Seeds Corporations, Central or State Agricultural Universities and the Indian Council of Agricultural Research, on production of proof of identity.

Towards ensuring unhindered farming operations during the Rabi crop season, NABARD would be utilizing its own cash credit limits up to about \square 23,000 crore to enable the DCCBs to disburse the required crop loans to PACS and farmers. Banks with currency chests have been advised to ensure adequate cash supply to the DCCBs and RRBs. Adequate cash supply should also be ensured for rural branches of all commercial (including RRBs). Bank branches located in APMCs may also be given adequate cash to facilitate smooth procurement.

23. Can I deposit Specified Bank Notes through ATMs, Cash Deposit Machine, cash Recycler and bank branches multiple times?

Yes, Specified Bank Notes can be deposited in Cash Deposits machines / Cash Recyclers or at bank branches more than once till December 30, 2016. At bank branches, customers should use separate pay-in-slips for depositing specified bank notes and other legal tender bank notes. (If a depositor has a mixed bunch of SBN and legal tender notes, he has to segregate them and submit two separate Pay-in slips).

24. Can I make use of electronic (NEFT/RTGS /IMPS/ Internet Banking / Mobile banking etc.) mode?

You can use NEFT/RTGS/IMPS/Internet Banking/Mobile Banking or any other electronic/ non-cash mode of payment. In order to meet the transactional needs of the public through digital means, additional measures have been introduced by way of special dispensation for small merchants and enhancement in limits for semi-closed Prepaid Payment Instruments (PPIs).

PPIs issuers can issue PPIs to such merchants. While balance in such PPIs cannot exceed \square 20,000/- at any point of time, the merchants can transfer funds from such PPIs to their own linked bank accounts upto \square 50,000/- per month, without any limit per transaction. Merchants only need to provide a self-declaration in respect of their status and details of their bank account.

The limit of semi-closed PPIs issued with minimum details has been enhanced to \square 20,000/- from the existing \square 10,000/-. The total value of reloads during any given month has also been enhanced to \square 20,000/-.

Extant instructions for other categories of PPIs remain unchanged. Full KYC PPIs with balance upto \square 1,00,000/- can continue to be made available by authorised PPI issuers.

The above measures will be effective from November 21, 2016 till December 30, 2016, subject to review.

25. How much time do I have to exchange the notes?

The scheme closes on December 30, 2016. The Specified banknotes can be exchanged at branches of commercial banks, Regional Rural Banks, Urban Cooperative banks, State Cooperative Banks and RBI till December 30, 2016 and even beyond, at specified RBI offices. As there is ample time, people need not rush to exchange putting avoidable strain on the banking branch network.

26. I am right now not in India, what should I do?

If you have Specified banknotes in India, you may authorise in writing enabling another person in India to deposit the notes into your bank account. The person so authorised has to come to the bank branch with the Specified banknotes, the authority letter given by you and a valid identity proof (Valid Identity proof is any of the following: Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff)

27. I am an NRI and hold NRO account, can the exchange value be deposited in my account?

Yes, you can deposit the Specified banknotes to your NRO account.

28. I am a foreign tourist, I have these notes. What should I do?

You can purchase foreign exchange equivalent to ₹ 5000 using these Specified Bank Notes at airport exchange counters till November 24, 2016, provided you present proof of purchasing the Specified Bank Notes.

29. I have emergency needs of cash (hospitalisation, travel, life saving medicines) then what I should do?

Till the November 24, 2016 midnight, specified banknotes can be used as under:—

- (a) for making payments in Government hospitals for medical treatment and pharmacies in Government hospitals for buying medicines with doctor's prescription;
- (b) at railway ticketing counters, ticket counters of Government or Public Sector Undertakings buses and airline ticketing counters at airports for purchase of tickets;
- (c) for purchases at consumer cooperative stores operated under authorisation of Central or State Governments and the customers shall provide their identity proof;
- (d) for purchase at milk booths operating under authorisation of the Central or State Governments;
- (e) for purchase of petrol, diesel and gas at the stations operating under the authorisation of Public Sector Oil and Gas Marketing Companies;
- (f) for payments at crematoria and burial grounds;
- (g) at international airports, for arriving and departing passengers, who possess specified bank notes, the value of which does not exceed five thousand rupees to exchange them for notes having legal tender character;
- (h) for foreign tourists to exchange foreign currency or specified bank notes, the value of which does not exceed five thousand rupees to exchange them for notes having legal tender character.
- (i) for making payments in all pharmacies on production of doctor's prescription and proof of identity;
- (j) for payments on purchases LPG gas cylinders;
- (k) for making payments to catering services on board, during travel by rail;
- (l) for making payments for purchasing tickets for travel by suburban and metro rail services;
- (m) for making payments for purchase of entry tickets for any monument maintained by the Archaeological Survey of India.
- (n) for making payments towards any fees, charges, taxes or penalties, payable to the Central or State Governments including Municipal and local bodies;

(o) for making payments towards utility charges including water and electricity -which shall be restricted to individuals or households for payment of only arrears or current charges and no advance payments shall be allowed

(p) for payments towards court fees

(q) for making payments towards purchase of seeds from the centres, units or outlets belonging to the Central or State Governments, Public Sector Undertakings, National or State Seeds Corporations, Central or State Agricultural Universities and the Indian Council of Agricultural Research, on production of proof of identity: Provided that for the purposes of this clause, specified bank notes shall mean bank notes of the denominational value of five hundred rupees

30. Can I use the Specified banknotes to settle outstanding in my loan account?

Deposits of Specified bank Notes into all types of deposit/loan accounts is allowed subject to CTR/STR reporting. Anybody depositing more than ₹ 50,000/- in cash in their bank account has to submit a copy of the PAN card in case the bank account is not seeded with PAN.

31. Can I deposit SBN to Small Savings Scheme?

Government of India has decided that subscribers of Small Savings Schemes may not be allowed to deposit SBNs in Small Savings Schemes. Banks have been advised not to accept SBNs for deposits in Small Saving Schemes with immediate effect.

32. What is proof of identity?

Valid Identity proof is any of the following: Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff.

33. Where can I get more information on this scheme?

Further information is available on our website (www.rbi.org.in) and the website of the Government of India (www.finmin.nic.in)

34. What steps have been taken for queue management?

Banks have been advised to make arrangements for separate queues for Senior citizens and Divyang (disabled) persons. Similarly, separate queues should also be arranged for those who come to exchange SBN for cash and those who come to deposit into bank accounts.

The last date for submission of the annual life certificate for the government pensioners which is to be submitted in November every year has been extended upto January 15, 2017 to facilitate.

The Reserve Bank assures members of the public that enough cash in small denominations is also available at the Reserve Bank and banks. The Reserve Bank urges that public need not be anxious; need not come over to banks repeatedly to draw and hoard; Cash is available when they need it.

Also see :

[All You wanted to know from RBI about: Withdrawal of Legal Tender Status of ₹ 500 and ₹ 1000 Notes](#)

35. If I have a problem, whom should I approach?

You may approach the control room of RBI by email or on Telephone Nos 022 22602201/022 22602944