

# RBI allows premature deposit withdrawal up to ₹1 crore

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The Reserve Bank of India (RBI) has increased the threshold limit of non-callable deposits to ₹1 crore from ₹15 lakh now, a move that would provide more flexibility to depositors.

These new norms for commercial and co-operative banks are applicable with immediate effect.

“During a review, it has been decided that the minimum amount for offering non-callable term deposits may be increased from ₹15 lakh to ₹1 crore. This means all domestic term deposits accepted from individuals for an amount of ₹1 crore and below will have premature withdrawal facility,” the RBI said.

Banks typically offer higher interest rates on non-callable deposits. The callability feature is applicable for non-resident (external) rupee deposits/ordinary non-resident deposits.

Banks are allowed to offer differential rates on interest on fixed deposits based on non-callability of deposits (i.e., non-availability of premature withdrawal option) in addition to tenor and size of deposits, the RBI said.

In 2019, the RBI re-defined bulk deposits as deposits of more than ₹2 crore from a single customer, which was ₹1 crore earlier.



## ... plans to bar outsourcing of KYC compliance norms

### Says cannot call borrowers before 8 am and after 7 pm; agents should not harass

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The Reserve Bank of India (RBI) is considering a prohibition on banks and other regulated entities from outsourcing the verification of compliance with know-your-customer (KYC) norms.

A draft circular on Managing Risks and Code of Conduct in Outsourcing of Financial Services, released by the regulator, has stated this intention.

The draft specifies: “Regulated entities (REs) shall not outsource core management functions, including policy formulation, decision-making functions such as determining compliance with KYC norms, management of the

investment portfolio, compliance function, and internal audit function.” The draft says that REs should make the final decision to extend credit to any specific customer, regardless of whether a service provider is involved in the process or not.

The RBI has also emphasised that REs should establish a board-approved code of conduct for direct selling agents, direct marketing agents, and recovery agents and obtain their commitment to adhere to this code.

The draft further specifies that REs and their recovery agents are prohibited from contacting the borrower or guarantor before 8 am and after 7 pm when attempting to recover overdue loans.

### Das: CBDC pilot results promising

During the Governor’s Series Talk at Frontiers of Central Banking in Asia in Marrakech on October 13, Reserve Bank of India Governor Shaktikanta Das had said that the results of pilot projects for promoting Central Bank Digital Currency have been promising.

### Lenders to pay ₹100/day for record update delay

The RBI on Thursday announced that lenders and credit information companies would pay compensation of ₹100 per day to customers for delays in updating and rectifying credit records. They will provide compensation if they fail to resolve matters within 30 days of a complaint.