

Frequently Asked Questions

Withdrawal of Legal Tender Character of the existing Bank Notes in the denominations of ₹ 500/- and ₹ 1000/- (Updated as on November 18, 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1000 issued by the Reserve bank of India till November 8, 2016 (hereinafter referred to as Specified Bank Notes) stands withdrawn.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 are expected to 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 24th November 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.

21. 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).

22. 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.

23. 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.

24. 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)

25. 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.

26. 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.

27. 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

28. 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.

29. 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.

30. 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)

31. 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](#)

32. 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