



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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RBI/2021-22/77

DOR.CRE.REC.35/21.04.048/2021-22

August 04, 2021

To,

All Scheduled Commercial Banks

All Payments Banks

Madam / Dear Sir,

**Guidelines for Implementation of the circular on  
Opening of Current Accounts by Banks**

Please refer to [circulars DOR.No.BP.BC/7/21.04.048/2020-21 dated August 6, 2020](#), [DOR.No.BP.BC.27/21.04.048/2020-21 dated November 2, 2020](#) and [DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020](#) on Opening of Current Accounts by Banks - Need for Discipline.

2. The instructions were issued vide the above circulars in order to enforce credit discipline amongst the borrowers as well as to facilitate better monitoring by the lenders; and for this purpose, a graded approach had been prescribed on opening and operating of current accounts and CC/OD facilities. Banks were required to implement these instructions in a non-disruptive manner while keeping the bonafide business requirements of the borrowers in mind.

3. It is reiterated that:

- a. In case of borrowers **who have not availed of CC/OD facility from any bank**, there is no restriction on opening of current accounts by any bank if exposure of the banking system to such borrowers is less than ₹5 crore.
- b. In case of borrowers **who have not availed of CC/OD facility from any bank** and the exposure of the banking system is ₹5 crore or more but less than ₹50 crore, there is no restriction on lending banks to such borrowers from opening a

current account. Even non-lending banks can open current accounts for such borrowers though only for collection purposes.

c. The restriction applies to borrowers in case they avail of CC/OD facility since all operations that can be carried out from a current account can also be carried out from a CC/OD account as banks in a CBS environment follow a one-bank-one-customer model as against a one-branch-one-customer model.

4. We have in the meantime received requests from the banks for some more time to resolve the operational issues while implementing the circular in letter and spirit. Therefore, in order to ensure that the instructions are implemented in a non-disruptive manner, it has been decided that:

a. Banks will be permitted time till October 31, 2021 to implement the provisions of the circular. This extended time line shall be utilised by banks to engage with their borrowers to arrive at mutually satisfactory resolutions within the ambit of the circular. Such issues which banks are unable to resolve themselves shall be escalated to Indian Banks' Association (IBA) for appropriate guidance. Residual issues, if any, requiring regulatory consideration shall be flagged by IBA to the Reserve Bank for examination by September 30, 2021.

b. In terms of para 1(vii) of [circular DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020](#), accounts of White Label ATM operators and their agents are exempt from the provisions of the Current Account [circular dated August 6, 2020](#). Since Cash-in-Transit (CIT) Companies/ Cash Replenishment Agencies (CRAs) essentially carry out a similar activity, the exemption would be applicable to these entities as well.

c. Banks shall put in place a monitoring mechanism, both at head office and regional/zonal office levels to monitor non-disruptive implementation of the circular and to ensure that customers are not put to undue inconvenience during the implementation process.

d. As has already been indicated in FAQ no 6 of [circular DOR.No.BP.BC.30/21.04.048/2020-21 dated December 14, 2020](#), banks are not permitted to open current accounts for borrowers who have availed agricultural/ personal Overdraft (OD) or OD against deposits.

5. Banks shall ensure that the contents of the circular are implemented in letter and spirit without causing undue inconvenience to their borrowers. All other instructions contained in the circulars ibid remain unchanged.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager