



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA



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RBI/2022-2023/117

DOR.SOG (SPE).REC.No 68/13.03.00/2022-23

September 16, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)  
All Small Finance Banks  
All Payment Banks  
All Local Area Banks  
All Primary (Urban) Co-operative Banks/ DCCBs /State Cooperative Banks

Sir / Madam,

**Master Directions on Interest Rate on Deposits**

Please refer to the instructions on the Foreign Currency (Non-resident) Accounts (Banks) Scheme contained in Section 19 (h) of the [Master Direction - Reserve Bank of India \(Interest Rate on Deposits\) Directions, 2016 dated March 03, 2016](#) and Section 18 (h) of the [Master Direction – Reserve Bank of India \(Co-operative Banks – Interest Rate on Deposits\) Directions, 2016 dated May 12, 2016](#) in terms of which, reference rates for arriving at the interest rates on FCNR (B) deposits shall be quoted / displayed by Foreign Exchange Dealers Association of India (FEDAI).

2. In terms of the guidance provided by RBI, the reference rates mentioned above are being quoted / displayed by Financial Benchmarks India Pvt. Ltd. (FBIL) with effect from January 31, 2022. In this regard, the relevant sections of both the Master Directions on Interest Rate on Deposits have been suitably modified.

3. Further, the instructions regarding eligibility for opening of savings account contained in Section 28 (h) and Section 27 (h) of the above-mentioned [Master Directions \(MDs\) dated March 03, 2016](#) and [May 12, 2016](#), respectively, and item No. 6 in Schedule I of the two MDs have been modified to make them more explicit.

4. The relevant sections of the Master Directions as amended are indicated in the [Annex](#).

5. All other instructions in this regard shall remain unchanged.

Yours faithfully,

(Santosh Kumar Panigrahy)  
Chief General Manager  
Encl: As above

**Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016**

Section of MD	Existing Provisions	Amended Provisions
19(h)	The Overnight Alternative Reference Rate <sup>2</sup> for the respective currency / Swap rates quoted / displayed by <b>Foreign Exchange Dealers Association of India (FEDAI)</b> shall be used as the reference for arriving at the interest rates on FCNR(B) deposits.	The Overnight Alternative Reference Rate <sup>2</sup> for the respective currency / Swap rates quoted / displayed by <b>Financial Benchmarks India Pvt. Ltd. (FBIL)</b> shall be used as the reference for arriving at the interest rates on FCNR(B) deposits.
28	Scheduled commercial banks shall not: (h) Open a savings deposit account in the name of entities other than individuals, Karta of HUF and organisations / agencies listed in Schedule-I.	Scheduled commercial banks shall not: (h) Open a savings deposit account in the name of <b>Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc.</b> or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF, and organisations / agencies listed in Schedule – I.  <b>Explanation</b>  For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.
Item No. 6 Schedule I	Institutions other than those mentioned in section 26(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.	Institutions other than those mentioned in <b>Section 28(h)</b> and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.

**Master Direction – Reserve Bank of India (Co-operative Banks – Interest Rate on Deposits) Directions, 2016**

Section of MD	Existing Provisions	Amended Provisions
18(h)	The Overnight Alternative Reference Rate <sup>1</sup> for the respective currency / Swap rates quoted / displayed by <b>Foreign Exchange Dealers Association of India (FEDAI)</b> shall be used as the reference for arriving at the interest rates on FCNR(B) deposits.	The Overnight Alternative Reference Rate <sup>1</sup> for the respective currency / Swap rates quoted / displayed by <b>Financial Benchmarks India Pvt. Ltd. (FBIL)</b> shall be used as the reference for arriving at the interest rates on FCNR(B) deposits.
27	Co-operative banks shall not:  (h) Open a savings deposit account in the name of entities other than individuals, Karta of HUF and organisations / agencies listed in Schedule - I.	Co-operative banks shall not:  (h) Open a savings deposit account in the name of <b>Government departments / bodies depending upon budgetary allocations for performance of their functions / Municipal Corporations or Municipal Committees / Panchayat Samitis / State Housing Boards / Water and Sewerage / Drainage Boards / State Text Book Publishing Corporations / Societies / Metropolitan Development Authority / State / District Level Housing Co-operative Societies, etc. or any political party or any trading/business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF, and organisations / agencies listed in Schedule – I.</b>  <b>Explanation</b>  For the purposes of this clause, ‘political party’ means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.
Item No. 6 Schedule I	Institutions other than those mentioned in section 26(h) and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961	Institutions other than those mentioned in <b>Section 27(h)</b> and whose entire income is exempt from payment of Income-tax under the Income-Tax Act, 1961.