

RBI REVISED NORMS FOR DEPOSIT ACCOUNTS OF MINORS

RBI has revised norms for Opening of and operation in deposit accounts of minors to make banking accessible to young people and ensuring a smooth transition when they become adults.

MOTHERS CAN BE THE GUARDIAN

Minors of any age may be allowed to open and operate savings and term deposit accounts through his/her natural or legal guardian. They may also be allowed to open such accounts with mother as guardian.

MINORS CAN OPERATE ACCOUNTS

Minors, not less than 10 years in age and up to such amount and such terms as may be fixed by the banks keeping in view their risk management policy, may be allowed to open and operate savings/term deposit accounts independently.

ACCOUNT CANNOT BE OVERDRAWN

The banks shall ensure that accounts of minors, whether operated independently or through a guardian, are not allowed to be overdrawn and that these always remain in credit balance.

BANKS CAN OFFER OTHER PRODUCTS

The banks are free to offer additional banking facilities like internet banking, ATM/debit cards, cheque book facility, etc., to the minor account holders basis their risk management policy, product suitability and customer appropriateness.

COMMUNICATION

Policies should be clearly communicated to the minor account holders. On attaining the age of majority, fresh operating instructions and specimen signature of the account holder shall be obtained and kept on record.

CUSTOMER DUE DILIGENCE

The banks shall perform customer due diligence for opening of deposit accounts of minors and undertake ongoing due diligence.