



The Reserve Bank of India vide Circular No.:
RBI/2020-21/79 DOR No.BP.BC.30/21.04.048/2020-
21 dated 14th December 2020 for opening of Current
Accounts by Banks and the Need for Discipline.

- a) RBI with reference to circulars DOR.No.BP. BC/7/21/04.048/2020-21 dated 6th August 2020 and DOR.No.BP.BC.27/21.04.048/2020-21 dated 2nd November 2020, it has been decided to permit banks to open specific accounts which are stipulated under various statutes and instructions of other regulators/regulatory departments, which any restrictions placed in terms of the above-mentioned circular dated 6th August 2020.
- b) The permission is subject to the conditions that the banks shall ensure that these accounts are used for permitted/specified transactions only. Further, banks shall flag these accounts in the CBS for easy monitoring. Lenders to such borrowers may also enter into agreements/ arrangements with the borrowers for monitoring of cash flows/ periodic transfer of funds (if permissible) in these current accounts.
- c) The Banks shall monitor all current accounts and CC/ODs regularly, at least on a half-yearly basis, specifically with respect to the exposure of the banking system to the borrower, to ensure compliance with instructions contained in circular dated 6th August 2020 *ibid*.