

BAN OF RS 2,000 BANK NOTES

Rs 2,000 Denomination Bank notes withdrawn from circulation by RBI. We may deposit ₹2,000 banknotes into their bank accounts and/or exchange them into banknotes of other denominations at any bank branch until September 30, 2023. Although it is clearly not mentioned in the notification, but it seems to control Black Money.

IMPORTANT POINTS

1. **Will continue as Legal Tender** ₹2000 Denomination Banknotes – Withdrawal from Circulation;

2. **₹2000 banknotes can be used for normal transactions: -**

Members of the public can continue to use ₹2000 banknotes for their transactions and also receive them in payment. However, they are encouraged to deposit and/or exchange these banknotes on or before September 30, 2023.

3. **Members of the public may approach bank branches for deposit and/or exchange of ₹2000 banknotes held by them.**

The facility for deposit into accounts and exchange for ₹2000 banknotes will be available at all banks until September 30, 2023.

4. **Limit on deposit of ₹2000 banknotes into a bank account**

Deposit into bank accounts can be made without restrictions subject to compliance with extant KYC norms and other applicable statutory / regulatory requirements.

5. **Operational limit on the amount of ₹2000 banknotes that can be exchanged - ₹20,000/- at a time.**

6. **Date will the exchange facility be available -** From all the bank branches from May 23, 2023.

7. **It is not necessary to be a customer of the bank to exchange ₹2000 banknotes from its branches:-** A non-account holder also can exchange ₹2000 banknotes up to a limit of ₹20,000/- at a time at any bank branch.

8. **Deposit into accounts can be made without restrictions.** The ₹2000 banknotes can be deposited into bank accounts and cash requirements can be drawn thereafter, against these deposits.

9. **Fee for the exchange facility-** The exchange facility shall be provided free of cost.

10. **Banks have been instructed to make arrangements to reduce inconvenience to the senior citizens, persons with disabilities, etc.,** seeking to exchange/deposit ₹2000 banknotes.

11. **To make the entire process smooth and convenient for the public, a period of over four months** has been given for deposit and/or exchange of ₹2000 banknotes. Members of the public, are therefore, encouraged to avail this facility at their convenience within the allotted time.

13. **Remedy if a bank refuses to exchange / accept deposit of ₹2000 banknote:-** Aggrieved customer may first approach the concerned bank OR complaint Integrated Ombudsman Scheme (RB-IOS), 2021.

Our views

1. We welcome it as it would help the honest Industrialists to compete in a better way at national / international levels.
2. Although any amount could be deposited in the Bank accounts without any restriction, but the Income Tax, GST or other departments could question about the source of the Income and link these with other compliances under different acts.
3. Individuals should avoid depositing the Currency notes which do not belong to him / her.
4. No need to panic, deposit / convert your notes, no bar on deposit. Conversion could be done @ Rs. 20,000/- per day.
5. We should try to promote digital transactions in business as well as personal life.

THANX & REGARDS.....

MANTOSH KUMAR & ASSOCIATES

Chartered Accountants

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RBI/2023-24/32
DCM(PIg) No.S-236/10.27.00/2023-24

May 19, 2023

The Chairman / Managing Director/ Chief Executive Officer
All Banks

Dear Sir /Madam,

₹2000 Denomination Banknotes – Withdrawal from Circulation; Will continue as Legal Tender

₹2000 denomination banknote was introduced in [November 2016](#) under Section 24(1) of RBI Act, 1934 primarily to meet the immediate currency requirement of the economy after withdrawal of the legal tender status of all ₹500 and ₹1000 banknotes in circulation at that time. With fulfilment of the objective of introduction of ₹2000 denomination and availability of banknotes in other denominations in adequate quantity, printing of ₹2000 banknotes was stopped in 2018-19.

2. Further, majority of the ₹2000 denomination notes were issued prior to March 2017, have completed their estimated lifespan and are not observed to be commonly used for transactions anymore. Therefore, it has been decided that, in pursuance of the “Clean Note Policy” of the Reserve Bank of India, the ₹2000 denomination banknotes shall be withdrawn from circulation. The ₹2000 banknotes will continue to be legal tender.

3. Accordingly, to implement the decision stated above, the following plan of action has been formulated which, the banks shall follow meticulously:

A. Handling of existing stock and receipts

- (i) All banks shall discontinue issue of ₹2000 denomination banknotes with immediate effect. ATMs/Cash Recyclers may also be reconfigured accordingly.

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- (ii) Banks holding Currency Chests (CCs) shall ensure that no withdrawal of ₹2000 denomination is allowed from the CCs. All balances held in the CCs shall be classified as unfit and kept ready for dispatch to respective RBI offices.
- (iii) All banknotes in this denomination received by the banks shall be sorted immediately through Note Sorting Machines (NSMs) for accuracy and genuineness and deposited in the currency chests under the Linkage Scheme or kept ready for dispatch to the nearest Issue Office of RBI.
- (iv) The instructions contained in our [Master Direction dated April 03, 2023](#) on detection, reporting and monitoring of counterfeit notes shall be meticulously followed.

B. Facility for Deposit and Exchange

- (v) The facility for deposit and/or exchange of ₹2000 banknotes shall be available for members of the public up to September 30, 2023.
- (vi) Deposit of ₹2000 banknotes into accounts maintained with all banks can be made in the usual manner, that is, without restrictions and subject to compliance with extant Know Your Customer (KYC) norms and other applicable Statutory requirements. The banks shall also be required to comply with Cash Transaction Reporting (CTR) and Suspicious Transaction Reporting (STR) requirements, where applicable.
- (vii) The facility for exchange of ₹2000 banknotes shall be provided to all members of the public by all banks through their branches.
- (viii) With a view to minimise inconvenience to the public, to ensure operational convenience and avoid disruption of the regular activities of bank branches, all banks may exchange ₹2000 banknotes upto a limit of ₹20,000/- at a time.
- (ix) Business Correspondents (BCs) may also be allowed to exchange ₹2000 banknotes upto a limit of ₹4000/- per day for an account holder. For this purpose, banks may, at their discretion, enhance the cash holding limits of BCs.
- (x) To give time to the banks for preparatory arrangements, members of the public have been requested to approach the banks/branches from May 23,



2023 for availing exchange facility. Deposit of ₹2000 banknotes may continue as per the normal banking practice.

- (xi) For providing deposit / exchange facility to people residing in remote/unbanked areas, banks may consider using mobile vans, if necessary.
- (xii) While crediting the value of ₹2000 notes to Jan Dhan Yojna Accounts / Basic Savings Bank Deposit (BSBD) Accounts, the usual limits will apply mutatis mutandis.
- (xiii) The banks shall to the extent feasible make special arrangements to reduce inconvenience to the senior citizens, persons with disabilities and women seeking to exchange/deposit ₹2000 notes.

C. Replenishment of Stock of Other Denominations for Exchange

- (xiv) Branches / CCs should estimate their cash requirement and obtain banknotes of other denominations from the linked / nearby currency chest / RBI well in time.
- (xv) CC holding branches shall extend required support to the linked / non-linked branches in accepting ₹2000 notes and distribution of banknotes in other denominations. In case of any difficulty in obtaining cash, the banks may contact the concerned Issue Office of RBI.

D. Dissemination of Information

- (xvi) **The banknotes in ₹2000 denomination will continue to be legal tender.**
- (xvii) A document on Frequently Asked Questions (FAQs) in the matter has been prepared and given in the [Annex](#). A copy of the same may be provided to the staff manning the exchange counters as well as displayed in the banking hall, ATM kiosks, etc.
- (xviii) A Press Release informing the public of the exercise and soliciting their co-operation is being issued separately. A copy of the same is [enclosed](#) for ready reference which may also be displayed in the banking hall, ATM kiosks, etc.
- (xix) Banks may also consider advising their customers suitably in the matter.

4. The above instructions will be effective until September 30, 2023.



5. You are requested to issue suitable instructions to the branches and advise them to extend all cooperation to members of the public so that the exercise is conducted in a non-disruptive manner, without any inconvenience to the public.

6. Please acknowledge receipt.

Yours faithfully

Sd/-

(Suman Ray)

Chief General Manager in-Charge

Encl: As above