

THE DEPOSITOR EDUCATION AND AWARENESS FUND SCHEME, 2014

Section 26A of Banking Regulation Act, 1949 (Updated as per RBI Circular 07.07.2018, RBI/2021-22/37 DoR.DEA.REC. No.16/30.01.002/2021-22 May 11, 2021)

RBI drawing its powers through Banking Regulation Act, 1949, section 26A, has established the Depositor Education and Awareness Fund. The funds lying in an account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years.

Procedure of Transfer: Banks shall transfer to the Fund the amounts becoming due in each calendar month (i.e. proceeds of the inoperative accounts and balances remaining unclaimed for ten years or more) as specified in the Scheme and the interest accrued thereon on the last working day of the subsequent month. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time.

Refund to the Customer:- In case of any claim for refund of part amount by the depositor whose unclaimed amount/inoperative deposit had been transferred to the Fund, the account will be revived and will become operative. The bank shall claim the entire amount transferred to the Fund in respect of such depositor along with interest payable, if any, from the Fund. The bank shall pay the amount (i.e deposit plus interest) to the depositor/claimant and claim refund of such amount from the Fund. Reserve Bank hereby specifies that the rate of interest payable by banks to the depositors/ claimants on the unclaimed interest-bearing deposit amount transferred to the Fund shall be as under (RBI vide its circular dated 11.05.2021 has revised the interest guidelines payable on such deposits as given):-

All the banks are advised to calculate the interest payable on interest bearing deposits transferred to RBI at the rate of

1. 4 per cent p.a. up to June 30, 2018,
2. 3.5 per cent w.e.f. July 1, 2018 up to May 10, 2021 and
3. 3 per cent with effect from May 11, 2021 till the time of payment to the depositor/claimant

Committee to administer and Manage the Fund: In accordance with scheme a committee is constituted by Reserve Bank of India consisting of ex-officio chairperson and not more than 6 members. The Deputy Governor of RBI as deputed by RBI will be ex-officio chairperson of the committee. It shall further consist 2 members from RBI being not less than the rank of Chief General Manager, CEO /MD/Chairman of a bank by rotation, one expert in the field of banking, one representing interest of depositors, and an officer not below the rank of Chief General Manager to be appointed as Member Secretary. The chairperson shall hold office for a period of two years and thereafter till his successor is appointed.

The committee shall meet as and when necessary but atleast once in a quarter. The quorum shall be chairperson and atleast two of its members.

The committee shall take decisions regarding promotion of Depositor's interest and recognition of entities engaged in activities related to depositor awareness and education. The committee shall lay down the criteria and grant financial assistance to recognized entities for promotion of deposit interests.

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