

NOTE ON

REVIEW OF
DEMONETISATION
ACTIVITY BY
CHARTERED
ACCOUNTANTS
IN BANKS



INTERNAL AUDIT STANDARDS BOARD
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
NEW DELHI



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The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 to regulate the profession of Chartered Accountants in India. During its more than six decades of existence, ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for its contribution in the fields of education, professional development, maintenance of high accounting, auditing and ethical standards. ICAI is the second largest accounting body in the whole world.

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DISCLAIMER:

- This note has been prepared based on the guidelines/ notifications/ circulars issued upto 31st December, 2016 with respect to Demonetisation Activity.
- Members should also follow the instructions/ guidelines/ internal circulars issued by respective banks to carry out review regarding Demonetisation Activity.
- The checklist points provided in this document are suggestive in nature for providing guidance to the members.
- Several points mentioned in checklist given in the note require data from CBS to carry out review procedures. It may be noted that data availability varies from bank to bank.



NOTE ON REVIEW OF DEMONETISATION ACTIVITY BY CHARTERED ACCOUNTANTS IN BANKS

In terms of Gazette Notification No. 2652 dated November 08, 2016 issued by Government of India, ₹ 500 and ₹ 1000 denominations of Bank Notes of the existing series issued by Reserve Bank of India (hereinafter referred to as “Specified Bank Notes” or “SBN”) ceased to be legal tender with effect from November 09, 2016, to the extent specified in the Notification.

Since the said date, there has been a rush at banks to deposit the SBN by customers. Moreover, there are certain restrictions on withdrawal from the accounts to match demand and supply of legal tender notes. As immediate relief, the Govt. of India has allowed exchange facility (exchange of SBN against Legal Tender Notes) for a time bound period.

It has been observed at certain banks prescribed procedures have not been followed. There have been instances of hoarding of large chunk of cash by certain individuals as well as misuse of bank accounts by certain unscrupulous elements with the connivance of few bank officials impacting the motive of the exercise i.e. dealing with Fake Currency and use of large denomination of cash as black money.

ICAI, being a premier accounting body in India and as a partner in nation building is also a part of the Demonetisation activity initiated by Hon. Govt of India. Members of the ICAI have been entrusted to carry out review of Demonetisation activity at various bank branches.

This Note deals with following aspects of the Demonetisation process:

1. Facility for Exchange of Notes
2. Cash Deposit Transactions
3. Cash Withdrawal Transactions
4. Reporting Requirements
5. Review Methodology

It also includes following appendices:

Appendix 1 - Important Guidelines issued by RBI, Income Tax Dept. on Demonetisation.

Appendix 2 - Indicative Checklist for Review of Demonetisation Activity by Chartered Accountants in Banks

1. FACILITY FOR EXCHANGE OF NOTES

Facility of Exchange of SBN with legal tender notes over the counter was provided to general public as one time arrangement. Limits alongwith the applicable period is as follows:

Limits

- From 10th Nov. 2016 to 13th Nov. 2016 – ₹ 4,000
- From 14th Nov. 2016 to 17th Nov. 2016 – ₹ 4,500
- From 18th Nov. 2016 to 24th Nov. 2016 – ₹ 2,000
- From 24th Nov. 2016 – Nil at Branch counters
- From 25th Nov. 2016 to 31st December, 2016 – For Foreign Citizen (Foreign Passport Holders) – ₹ 5,000 per week

Document requirement

- Application in RBI prescribed format (Refer Annexure – 5 of Circular Dt. 8th Nov. 2016)
- ID Proof (Any one from Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff)
- For Exchange Facility extended to Foreign Passport Holders (a) Self Declaration stating that facility is not availed during the week and (b) Copy of Passport

Important Points w.r.t. Exchange Facility

- Facility was available for exchange in person only
- Facility was not allowed for other than tenderer even with Authority letter
- Facility was available **only once** from 10th Nov., 2016 to 30th Dec. 2016
- Facility was available only against old ₹ 500 and ₹ 1,000 notes (SBN)
- Banks have been permitted to use indelible ink w.e.f. 16th Nov. 2016 to prevent multiple exchange by same person.
- Banks to ensure facility of exchange extended to Foreign Citizen should not exceed ₹ 5,000 per week.

2. CASH DEPOSIT (SBN) TRANSACTIONS

There are no limits in depositing SBN in Bank Account barring few exceptions viz., Non KYC Complied Accounts, Small Savings Accounts.

Limits

- Maximum amount upto ₹ 50,000 can be deposited in Non KYC compliance accounts (during the entire period i.e. 8th Nov. 2016 to 30th Dec. 2016)
- Any amount can be deposited in KYC complied accounts
- **No cash deposit is permitted in Small Savings Scheme Accounts** (viz. Public Provident Fund, Senior Citizen Scheme, Sukanya Sunidhi Scheme, Atal Pension Yojna) w.e.f. 23rd Nov. 2016
- Deposit of Cash in excess of ₹ 5,000 only once (**w.e.f. 19th December, 2016 till 21st Dec. 2016. – All type of accounts with explanation from customer for non-deposit of cash till date in presence of two bank officials**).
- W.e.f. 21st Dec., 2016 – In case of KYC compliant accounts, no limit of cash deposit and no explanation for cash deposit post 19th Dec. 2016.

In case of non-KYC compliant accounts and deposit in excess of ₹5,000 (transaction-wise and also in aggregate) with upper limit of ₹ 50,000.

Documents required

- Pay in slip with Customer's Signature (to confirm personal visit)
- Authority Letter specifically mentioning deposit of old SBN in case of deposit by third party
- Separate pay in slip for SBN and Non SBN notes

Important Points w.r.t. Cash Deposit Transactions

- Various circulars have been issued by RBI to ensure compliance with KYC guidelines
- An amendment in Income Tax Rules for seeking PAN and reporting of transactions through AIR for cash deposits between 8th November, 2016 to 30th December 2016.
- Availability of denomination details on Pay in Slips.
- Separate Pay-in-Slip for SBN and non SBN deposit
- Deposits by third party – Copy of Authority Letter specifying the consent of Account Holder to deposit SBN in his/her account.
- Cash deposit is allowed in Loan as well as Deposit accounts
- Adherence to FEMA guidelines on deposit of Cash in accounts maintained by NRIs

3. CASH WITHDRAWAL TRANSACTIONS

There are various restrictions on Cash Withdrawal through Branches. There are restrictions on withdrawal of cash through ATMs and POS machines as well.

Limit

❖ Withdrawal through Branch

- **From 10th Nov. 2016 to 13th Nov. 2016** - ₹ 10,000 per day subject to overall limit of ₹ 20,000 (including ATM withdrawals)
- **From 14th Nov., 2016** – ₹ 24,000 (Maximum in a week) & For Current A/c (operational from last three months) - ₹ 50,000
- **From 21st Nov. 2016** – For OD / CC Accounts (operational from last three months) – ₹ 50,000 (Enhanced limit is not available to Personal OD accounts)
- **From 22nd Nov. 2016** – For Farmers limit was enhanced to ₹ 25,000 and For Trader registered with APMC / Mandi limit was enhanced to ₹ 50,000
- Transactions between Bank to Bank, Bank to Post Office, Bank to Money Changer having presence at Airport or Bank to White Label ATM operator – No Limit
- **From 22nd Nov. 2016** – ₹ 2,50,000 on the occasion of wedding subject to fulfilment of terms and conditions prescribed by RBI.
- **From 29th Nov. 2016** - Additional limit of withdrawal for Legal Tender notes deposited in Account(Over and above regular limit)
- **From 30th Nov. 2016** – ₹ 10,000 PMJDY Accounts, Additional amount to be assessed by Branch Manager
- **From 15th Dec. 2016** – No debit transactions (Cash as well as transfer / remittance) wherein in case of Non-KYC compliant Accounts (including Small Savings Account, BSBD/Jandhan Accounts) wherein Balance in Account has exceeded ₹ 5 Lacs and Total Deposits (including Credit by Electronic or other means) made after November 9, 2016 exceed ₹ 2 Lacs.
- **For withdrawal by Govt. Dept.** - No Limit. On production of evidence of requirement issued by an office and approved by Bank Official in the rank of General Manager & above

❖ ATM withdrawals

- From 10th Nov. 2016 to 13th Nov. 2016 - ₹ 2,000 per day per card
- From 14th Nov., 2016 – ₹ 2,500 per day per card
- From 1st January, 2017 – ₹ 4,500 per day per card

❖ Cash Through POS Machine

- ₹ 2,000 per day per card

Documents required

- Cheque / Withdrawal slips
- Debit Cards (for withdrawal through POS machine)
- Documents prescribed in Cir. Dt. Nov. 22, 2016 for enhanced limit for withdrawal on the occasion of wedding
- Documents for enhanced limits of withdrawal by Govt. Dept. as prescribed in Cir. Dt. November 11, 2016
- Documents to ascertain eligibility for enhanced limits for withdrawal by Farmer or Trader registered with APMC / Mandi


4. REPORTING AND OTHER REQUIREMENTS UNDER DEMONETISATION PROCESS

RBI has prescribed following reporting from banks w.r.t. Demonetisation Process:

- a. Reporting of Balance as on 8th November, 2016 in Annexure – 1 by 1 pm on 9th November, 2016
- b. Daily reporting of Cash withdrawn in SBN in Annexure – 6 (Branch to Controlling Office) & Annexure – 6A (Reporting officer to RBI) of Circular Dt. 8th Nov. 2016
- c. From 10th November, 2016 to 11th November, 2016 – Format as per Circular Dt. 8th November, 2016
- d. From 12th November, 2016 - Format as per Circulars Dt. 11th November, 2016 (No. RBI/2016-17/125 and RBI/2016-17/128 to include details of counterfeit notes detected and notes disbursed through counters and ATM)
- e. Circular issued by RBI reiterating timely reporting of daily movement of SBN in reporting format i.e. Annexure 6A – RBI Circular Dt. 16.11.2016
- f. Report on detection of Counterfeit Notes as per following periodicity:

Reporting Period	Report to be submitted by
November 10 to December 09, 2016	December 16, 2016
December 10 to December 16, 2016	December 23, 2016
December 17 to December 30, 2016	January 06, 2017

- g. Maintenance of records for distribution of Mahatma Gandhi (New) series Banknotes


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- h. Reporting of Information on collection of SBNs on December 30, 2016 through email to RBI
 - i. Deposit of SBN cash (by bank branches other than DCCBs) as on December 30, 2016 to RBI Issue Office or Currency Chest by December 31, 2016.
 - j. SBNs cannot form part of banks' cash balances from the close of business as on December 31, 2016.

5. REVIEW METHODOLOGY

- a. Chartered Accountant should review Cash Deposit, Exchange and Withdrawal Transactions based on documents available with the branch for each day.
- b. One of the important activity to keep tab on handling of SBN by branch is to review process of reconciliation of SBN received i.e. (Opening Balance of SBN **Add** Receipt of SBN **Less** Remitted to Chest must agree with Closing Balance of SBN as per Cash/Vault Book) – [Reconciliation is required for each SBN in number / pieces]
- c. In order to ensure that compliance with payment threshold guidelines Chartered Accountant should review process of reconciliation of Legal Tender Notes (Op. Balance of Legal Tender Notes **Add** Receipt from Customers **Add** Received from Chest **Less** Remitted to Chest must agree with Closing Balance of SBN as per Cash / Vault Book) - [Reconciliation is required for each Legal Tender Notes in number / pieces]
- d. Review CCTV recording covering cash area on random basis for coverage, operation of branch.
- e. Review Cash Vault / Balancing Register commencing from 8th Nov. 2016. Verify whether any cuttings / overwritings have been observed any day in SBN or other Legal Tender? If so ascertain the reason for the same.
- f. Review Cash Deposit Slips for corrections in Denomination i.e. say from Legal Tender Notes to SBN.
- g. Review Data generated from System.
- h. In case of any specific issue the Chartered Accountant may request the bank in writing to generate Data based on regulatory and monitoring guidelines.
- i. RBI vide notification dt. November 21, 2016 allowed relaxation in recognition of assets as NPA subject to certain conditions.

Applicable to:

- Running Working Capital (CC/OD, Crop Loans) Sanctioned Limit is less than or equal to ₹ 1 Crore

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- Term Loans (Business or **Personal**, Secured or Unsecured, **including Housing Loans**) where original sanctioned amount is ₹ 1 Crore or less [*Emphasis supplied*]
 - The above limits (i.e. WC and TL) are mutually exclusive

Conditions:

- Dues payable between 1st Nov. 2016 to 31st Dec. 2016.
 - Dues before 1st Nov. 2016 to be covered under extant instructions
 - Guidelines have been issued to defer the classification time and not for delaying migration of Account from Standard to Sub Standard Assets
- j. RBI vide notification dt. December 28, 2016 amended notification dt. November 21, 2016 allowing further relaxation of 30 days in addition to the 60 days in certain category of accounts in recognition of assets as NPA subject to certain conditions.

Applicable to:

- Permitting banks to defer the down grade of an account that was standard as on November 1, 2016, but would have become NPA for any reason during the period November 1, 2016 to December 31, 2016, by 90 days from the date of such downgrade in the following categories of accounts
- Running Working Capital (CC/OD, Crop Loans) Sanctioned Limit is less than or equal to ₹ 1 Crore
- Term Loans (**Business, Secured or Unsecured**) where original sanctioned amount is ₹ 1 Crore or less [*Emphasis supplied*]
- The above limits (i.e. WC and TL) are mutually exclusive

Conditions:

- Dues payable between 1st Nov. 2016 to 31st Dec. 2016.
- Dues before 1st Nov. 2016 to be covered under extant instructions
- The additional time given shall only apply to defer the classification of an existing standard asset as substandard and not for delaying the migration of an account across sub-categories of NPA.
- Dues payable after January 1, 2017 will be covered by the extant instructions for the respective REs.

Appendix 1


Important Guidelines issued by RBI, Income Tax Dept. on Demonetisation

Sr. No.	Guidelines Ref. No.	Subject	Date of Issue
1.	RBI/2016-17/111 DPSS. CO. PD. No./02.10.002 /2016-2017	ATMs – Non-dispensing of Old High Denomination Notes – Closure of operations	November 8, 2016
2.	RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17	Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Bank Notes	November 8, 2016
3.	RBI/2016-17/114 DBR. No. Leg. BC. 31/09. 07.005/2016-17	Banks to remain open for public on Saturday, November 12 and Sunday, November 13, 2016	November 9, 2016
4.	RBI/2016-17/115 DCM (Plg) No. 1241/10.27.00/2016-17	RBI Instruction to Banks for Changes in ATM	November 9, 2016
5.	RBI/2016-17/116 DPSS (CO) RTGS No. 1212/04.04.002 /2016-17	Payment Systems to remain open on Saturday, November 12 and Sunday, November 13, 2016	November 10, 2016
6.	RBI/2016-17/123 DCM (Plg) No. 1251/10.27.00/2016-17	Limits for Banks, Post offices, Money Changers, White Label ATMs	November 10, 2016
7.	RBI/2016-17/124 DCM (Plg) No. 1256 / 10.27.00 / 2016-17	Relaxation for Government Departments	November 11, 2016
8.	RBI/2016-17/125 DCM (Plg) No. 1264 / 10.27.00 / 2016-17	Reporting and Monitoring	November 11, 2016
9.	RBI/2016-17/127 A.P. (DIR Series) Circular No. 17	Issue of Pre-Paid Instruments to Foreign Tourists	November 11, 2016
10.	RBI/2016-17/128 DCM (Plg) No. 1268 / 10.27.00 / 2016-17	Reporting and Monitoring – Information on Issuance of Banknotes Over the Counters / ATMs	November 12, 2016
11.	RBI/2016-17/129 DCM (Plg) No.1272 /10.27.00/2016-17	Revision in Limits for Cash	November 13, 2016
12.	RBI/2016-17/130 DCM (Plg) No.1273/10.27.00/2016-17	Applicability of the Scheme to DCCBs Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Bank Notes – Applicability of the Scheme to DCCBs	November 14, 2016

13.	RBI/2016-17/131 DCM (Plg) No. 1274 / 10.27.00 / 2016-17	Expanding the Distribution Locations for Deposit and Withdrawal of Cash Withdrawal of Legal Tender Character of Specified Bank Notes – Expanding the distribution locations for deposit and withdrawal of cash	November 14, 2016
14.	RBI/2016-17/132 DPSS. CO. PD. No. 1240 / 02.10.004 / 2016 – 2017	Usage of ATMs – Waiver of Customer Charges	November 14, 2016
15.	RBI/2016-17/133 DCM (Plg) No. 1280 / 10.27.00 / 2016-17	SOP for putting Indelible Ink on the Finger of the Customers coming to a Bank Branch for SBNs	November 15, 2016
16.	RBI/2016-17/135 DCM (Plg) No. 1287 / 10.27.00 / 2016-17	Compliance with Provisions of 114B of the Income Tax Rules, 1962	November 16, 2016
17.	RBI/2016-17/136 DCM (Plg) No. 1291 / 10.27.00 / 2016-17	Daily Reporting by Banks Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Bank Notes – Daily Reporting	November 16, 2016
18.	RBI/2016-17/139 DCM (Plg) No. 1302 / 10.27.00 / 2016-17	Limit for Exchange Over the Counters Revised Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Bank Notes – Exchange over the counters	November 17, 2016
19.	RBI/2016-17/140DPSS.CO. PD.1280/02.14.003/2016-17	Cash Withdrawal at POS - Withdrawal Limits and Customer Fee/Charges - Relaxation	November 18, 2016
20.	RBI/2016-17/142 DCM (Plg) No. 1317 / 10.27.00 / 2016-17	Cash Withdrawal Limit Facility for Overdraft/ Cash Credit Accounts	November 21, 2016
21.	RBI/2016-17/143 DBR.No.BP. BC.37/21.04.048/2016-17	Relaxation in Prudential Norms Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances November 21, 2016	November 21, 2016
22.	RBI/2016-2017/145 DCM (Plg) No. 1320/10.27.00/ 2016-17	Cash Withdrawal for Wedding Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Specified Bank Notes (SBNs) – Cash withdrawal for purpose of celebration of wedding	November 21, 2016

23.	RBI/2016-17/146 DCM (Plg) No. 1323/10.27.00 / 2016-17	Revisions for Farmers/Traders registered with APMC/Mandis	November 21, 2016
24.	RBI/2016-17/147 DCM (Plg) No. 1341/10.27.00/2016-17	Fraudulent Practices	November 22, 2016
25.	RBI/2016-17/149 DCM (Plg) No. 1346/10.27.00/2016-17	Cash Withdrawal for purpose of Celebration of Wedding – Modification	November 22, 2016
26.	RBI/2016-17/153 DCM (Plg) No.1383/10.27.00/2016-17	Specified Bank Notes (SBNs) - Deposit under Guarantee Scheme to decongest the storage facilities at banks	November 24, 2016
27.	RBI/2016-17/154 DCM (Plg) No.1384/10.27.00/2016-17	Withdrawal of Specified Banknotes: Cash requirements of pensioners and Armed Forces Personnel	November 24, 2016
28.	RBI/2016-17/155 DCM (Plg) No. 1391/10.27.00/2016-17	Discontinuation of over the Counters Exchange of SBN	November 24, 2016
29.	A.P. (DIR Series) Circular No. 20	Exchange facility to foreign citizens	November 25, 2016
30.	RBI/2016-17/159 DBR.No.Ret. BC.41/12.01.001/2016-17	Reserve Bank of India Act, 1934 – Section 42(1A) Requirement for maintaining additional CRR	November 26, 2016
31.	RBI/2016-17/160 DCM (Plg) No. 1430/10.27.00/2016-17	Chest Guarantee Scheme for Specified Bank Notes (SBNs) – CGSS	November 27, 2016
32.	RBI/2016-17/163 DCM. No. 1437 / 10.27.00 /2016-17	Withdrawal of cash from bank deposit accounts - Relaxation	November 28, 2016
33.	RBI/2016-17/162 DCM (Plg) .1438/10.27.00/2016-17	Chest Guarantee Scheme for Specified Bank Notes (SBNs) – CGSS	November 28, 2016
34.	RBI/2016-17/164 DCM (Plg) No. 1459/10.27.00/2016-17	Deposit of Specified Bank Notes (SBNs) – Chest Balance Limit / Cash Holding Limit	November 29, 2016
35.	RBI/2016-17/165 DCM (Plg) No. 1450/10.27.00/2016-17	Accounts under PMJDY – Precautions	November 29, 2016
36.	RBI/2016-17/166 DCM (Plg) .1500/10.27.00/2016-17	Information from Unauthenticated Sources – Advisory to banks	December 01, 2016
37.	RBI/2016-17/173 DBR.AML. BC. .44/14.01.001/2016-17	Requirement of customer due diligence and need for maintenance of records	December 06, 2016
38.	RBI/2016-17/174 DBR.No.Ret. C.46/12.01.001/2016-17	Reserve Bank of India Act, 1934 – Section 42(1A) Withdrawal of the Incremental CRR	December 07, 2016

39.	RBI/2016-17/176 DBR.AML.BC. No. 18/14.01.001/2016-17	Amendment to Master Direction (MD) on KYC	December 08, 2016
40.	RBI/2016-17/177 DBR.AML. BC.47/14.01.01/2016-17	Amendment to Master Direction on Know Your Customer	December 08, 2016
41.	RBI/2016-17/179 DCM (Plg) No. 1679/10.27.00/2016-17	Detection of counterfeit notes in Specified Bank Notes (SBNs) – Reporting	December 12, 2016
42.	RBI/2016-17/180 DCM (Plg) No. 1683/10.27.00/2016-17	Distribution of Mahatma Gandhi (New) Series Banknotes – Records	December 12, 2016
43.	RBI/2016-17/181 DCM (Plg) No. 1712/10.27.00/2016-17	Preservation of CCTV recordings	December 13, 2016
44.	RBI/2016-17/183 DBR.AML. BC.48/14.01.01/2016-17	Compliance to provisions of Master Direction on Know Your Customer (KYC)	December 15, 2016
45.	RBI/2016-17/186 A.P. (DIR Series) Circular No. 22	Exchange facility to foreign citizens	December 16, 2016
46.	RBI/2016-17/189 DCM (Plg) No. 1859/10.27.00/2016-17	Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Bank Notes (Specified Bank Notes) - Deposit of Specified Bank Notes (SBNs) into bank accounts	December 19, 2016
47.	RBI/2016-17/191 DCM (Plg) No. 1911/10.27.00/2016-17	Withdrawal of Legal Tender Character of existing ₹ 500/- and ₹ 1000/- Bank Notes (Specified Bank Notes) - Deposit of Specified Bank Notes (SBNs) into bank accounts- Modification	December 21, 2016
48.	RBI/2016-17/201 DCM (Plg) o.2103/10.27.00/2016-17	Classification and Provisioning pertaining to Advances	December 28, 2016
49.	RBI/2016-17/201 DCM (Plg) o.2103/10.27.00/2016-17	Closure of the scheme of exchange of Specified Bank Notes (SBNs) at banks on December 30 th 2016 - Accounting	December 30, 2016
50.	RBI/2016-17/204 DCM (Plg) No. 2142/10.27.00/2016-17	Cash withdrawal from ATMs – Enhancement of daily limits	December 30, 2016



51.	RBI/2016-17/205 DCM (Plg) No.2170 /10.27.00/2016-17	Facility for exchange of Specified Bank Notes (SBNs) during Grace Period – Verification of KYC and Account details at select RBI counters	December 31, 2016
52.	Amendment in Rule 114B & 114E of Income Tax Rules, 1962	Amendment in requirement of PAN for Cash Deposits in Bank during the period 9 th Nov. 2016 to 30 th Dec. 2016	November 15, 2016

Appendix 2
Indicative Checklist for Review of Demonetisation Activity
by Chartered Accountants in Banks
Part – 1 Exchange of Notes

Ref- No.	Checkpoint	Ref. to RBI guidelines	Periodicity
E-1	<p>Whether Limits for Exchange of Notes over the counter were adhered to?</p> <p>Limits From 10th Nov. 2016 to 13th Nov. 2016 – ₹ 4,000 From 14th Nov. 2016 to 17th Nov. 2016 – ₹ 4,500 From 18th Nov. 2016 to 24th Nov. 2016 – ₹ 2,000 From 24th Nov. 2016 – Nil at Branch counters From 25th Nov. 2016 - 31st Dec. 2016 - ₹ 5,000 per week for Foreign Citizen (Foreign Passport Holders)</p>	<p>RBI/2016-17/112 DCM (Plg) No. 1226/10.27.00/2016-17 Dt. 08.Nov.2016</p> <p>RBI/2016-17/129 DCM (Plg) No. 1272 /10.27.00/2016-17 Dt. 13.Nov.2016</p> <p>RBI/2016-17/139 DCM (Plg) No. 1302/10.27.00/2016-17 Dt. 17.11.2016</p> <p>RBI/2016-17/155 DCM (Plg) No. 1391/10.27.00 / 2016-17 Dt. 24.11.2016</p> <p>A.P. (DIR Series) Circular No. 20 Dt. 25.11.2016 and RBI/2016-17/186 A.P. (DIR Series) Circular No. 22 Dt. 16.12.2016</p>	<p>10.Nov.2016 to 24.Nov.2016 and upto 31.Dec.2016 (Foreign Citizen)</p>
E-2	<p>Whether prescribed documents have been obtained for Exchange of Notes over the counter?</p> <p>Documents: 1. Request Letter (Format as per Annexure - 5 of RBI Circular) 2. ID Proof (Check whether copies have been obtained - Acceptable ID proofs are Any one from Aadhaar Card Driving License Voter ID Card Passport NREGA Card PAN Card Identity Card Issued by Government Department, Public Sector Unit to its Staff)</p>	<p>BI/2016-17/112 DCM (Plg) No. 1226/10.27.00/2016-17 Dt. 08.Nov.2016</p>	<p>10.Nov.2016 to 24.Nov.2016</p>



E-3	Check whether prescribed documents have been obtained for extending exchange of Notes facility to Foreign Citizen (Foreign Passport Holders). Documents: 1. Self Declaration stating that facility is not availed during the week. 2. Copy of Passport Maximum permissible limit ₹ 5,000 per week.	A.P. (DIR Series) Circular No. 20 Dt. 25.11.2016 and RBI/2016-17/186 A.P. (DIR Series) Circular No. 22 Dt. 16.12.2016	upto 31.Dec.2016
E-4	Are there any instances of extending facility of exchange to same person more than once during the period 10th Nov. 2016 to 24th Nov. 2016? If so report the instances.	RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 Para 3.C.i	10.Nov.2016 to 24.Nov.2016
E-5	Are there any instances of extending facility to person based on Authority Letter? If so, report such instances.		10.Nov.2016 to 24.Nov.2016
E-6	Whether proper records have been maintained in system to record the number of SBN (₹ 500 & ₹ 1,000) received at Exchange Counters? If not, whether any manual records (viz. Register) is maintained?		10.Nov.2016 to 24.Nov.2016
E-7	Whether CCTV Recording of Cash Area is available? Whether adequate backup of recording is available?	RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 Para 2.XII	10.Nov.2016 to 24.Nov.2016
E-8	Review the CCTV Recording on random basis to check misuse of exchange facility.	RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 (Para 2.XII)	10.Nov.2016 to 24.Nov.2016





E-9	From November 16, 2016 starting from metro cities, whether indelible ink was put on right index finger by the branch at exchange counters? Check CCTV footage to review the compliance.	RBI/2016-17/133 DCM (Plg) No. 1280 / 10.27.00 / 2016-17 Dt. 15.Nov.2016	15.Nov.2016 to 24.Nov.2016
E-10	Report the case of any abnormal increase value of notes exchanged through counter. Points to be considered are normal footfall in branch, capacity of branch to handle number of customers		10.Nov.2016 to 24.Nov.2016
E-11	Check any Business Correspondents (BC) are reporting to Branch? If so, whether facility of Exchange was provided by BCs? The facility of exchange cannot be provided by BC.	RBI/2016-17/115 DCM (Plg) No. 1241 / 10.27.00 / 2016-17 Dt. 09.Nov.2016 - Para VI.4	10.Nov.2016 to 24.Nov.2016



Part – 2 Cash Withdrawal

Ref- No.	Checkpoint	Ref. to RBI guidelines	Periodicity
P-1	<p>Whether Limits for withdrawal over the counter were adhered to?</p> <p><u>Limits for withdrawal from Branch</u></p> <p>From 10th Nov. 2016 to 13th Nov. 2016 – ₹ 10,000 per day with weekly capping of ₹ 20,000 (Including ATM withdrawals)</p> <p>From 14th Nov. 2016 – ₹ 24,000 (Maximum in a week) & For Current A/c (operational from last three months) - ₹ 50,000</p> <p>From 21st Nov. 2016 - For OD/CC Accounts (operational from last three months) – ₹ 50,000 (Enhanced limit is not available to Personal OD accounts)</p> <p>From 22nd Nov. 2016 - Farmers ₹ 25,000 and Trader registered with APMC / Mandi - ₹ 50,000</p> <p>From 22nd Nov. 2016 - ₹ 2,50,000 on the occasion of wedding subject to conditions as prescribed.</p> <p>From 29th Nov. 2016 - Enhanced limit of withdrawal to the extent of deposit of legal tender notes from the date.</p> <p>From 30th Nov. 2016 - ₹ 10,000 from PMJDY KYC Compliant Account. Additional amount based on requirement and after due diligence by Branch Manager.</p> <p>Otherwise only ₹ 5,000 per month subject to maximum ₹ 10,000</p>	<p>RBI/2016-17/112 DCM (Plg) No. 1226/10.27.00/2016-17 dt. 08.Nov.2016</p> <p>RBI/2016-17/123 DCM (Plg) No. 1251/10.27.00 / 2016-17 dt. 10.Nov.2016</p> <p>RBI/2016-17/124 DCM (Plg) No. 1256/10.27.00 / 2016-17 dt. 11.Nov.2016</p> <p>RBI/2016-17/129 DCM (Plg) No. 1272 /10.27.00/2016-17 dt. 13.Nov.2016</p> <p>RBI/2016-17/131 DCM (Plg) No. 1274/10.27.00/ 2016-17 dt. 14.Nov.2016</p> <p>RBI/2016-17/135 DCM (Plg) No. 1287/10.27.00/2016-17 dt. 16.Nov.2016</p> <p>RBI/2016-17/142 DCM (Plg) No. 1317/10.27.00/2016-17 dt. 21.Nov.2016</p> <p>RBI/2016-2017/145 DCM (Plg) No. 1320 / 10.27.00 / 2016-17 dt. 21.Nov.2016</p> <p>RBI/2016-17/146 DCM (Plg) No. 1323 / 10.27.00 / 2016-17 dt. 21.Nov.2016</p>	<p>From 10 Nov. 2016</p>

	<p>For withdrawal by Govt. Dept. - No Limit. On production of evidence of requirement issued by an office and approved by Bank Official in the rank of General Manager & above</p> <p>No limit for cash transaction between Bank to Bank, Bank to Post Office, Bank to Money Changer having presence at International Airport and Bank to White label ATM operator</p>	<p>RBI/2016-17/146 DCM (Plg) No.1323/10.27.00/2016-17 dt. 21.Nov.2016</p> <p>RBI/2016-17/163 DCM. No.1437/10.27.00/2016-17 dt. 28.Nov.2016</p>	
P-2	<p>Whether Limits for withdrawal through other modes?</p> <p><u>Limits for withdrawal through ATM:</u> From 10th Nov. 2016 to 13th Nov. 2016 - ₹ 2,000 per day per card From 14th Nov., 2016 – ₹ 2,500 per day per card From 1st Jan. 2017 – ₹ 4,500 per day per card</p> <p>Limits for withdrawal through POS Machine: From 18.11.2016 - ₹ 2,000 per day</p>	<p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 dt. 08.Nov.2016</p> <p>RBI/2016-17/129 DCM (Plg) No. 1272 /10.27.00/2016-17 dt. 13.Nov.2016</p> <p>RBI/2016-17/140 DPSS. CO. PD. No. 1280 / 02.14.003 /2016-17 dt.</p>	From 10.Nov. 2016

P-3	In case of enhanced limit for withdrawal, check whether requisite documents have been obtained by the bank?	RBI/2016-17/123 DCM (Plg) No. 1251 / 10.27.00 / 2016-17 dt. 10.Nov.2016 RBI/2016-17/124 DCM (Plg) No. 1256 / 10.27.00 / 2016-17 dt. .Nov.2016 RBI/2016-2017/145 DCM (Plg) No. 1320 / 10.27.00 / 2016-17 dt. 21.Nov.2016 & Amendment RBI/2016-17/149 DCM (Plg) No. 1346/10.27.00/2016-17 dt. 22.Nov.2016 RBI/2016-17/146 DCM (Plg) No. 1323 / 10.27.00 / 2016-17 dt. 21.Nov.2016	From 10.Nov.2016
P-4	Whether denomination details have been mentioned on Cheque / Withdrawal slip in all the cases?		From 10.Nov.2016
P-5	Test check the cases of Cash withdrawal to ascertain whether system level controls have been embedded in compliance with RBI guidelines? If not, detailed scrutiny is required to be carried out to detect the cases wherein payments have been made in excess of limits prescribed.		From 10.Nov.2016



P-6	<p>Review the CCTV footage based on time of transaction to ascertain whether the payments have been made to customer / payee only.</p> <p>Report the instances wherein cheque was posted in system where no customers were in branch and cash was paid.</p> <p>Are there any instances wherein delivery of bulk cash in legal tender took place?</p> <p>Are there any cases of transaction beyond the branch hours where there are no customers in the branch / at the counter?</p>		From 10.Nov.2016
P-7	<p>Report the cases wherein enhanced limit to cash withdrawal is permitted for Current Account / OD A/c / CC Account in operation for less than 3 months.</p> <p>Also, report cases wherein enhanced limit of cash withdrawal (i.e. ₹ 50,000) was permitted in Personal OD Accounts.</p>		From 15.Nov.2016
P-8	<p>Debit restrictions in Non KYC compliant accounts including those opened under Small Savings Account Scheme and Jan Dhan Scheme with Balance in excess of ₹ 5 Lacs and Credits (Cash, Electronic or other) in excess of ₹ 2 Lacs from 9th Nov. 2016.</p>		From 15.Dec.2016



Part – 3 Cash Receipt

Ref-No.	Checkpoint	Ref. to RBI guidelines	Periodicity
R-1	<p>Whether Limits for Cash Deposits over the counter were adhered to?</p> <p><u>Limits</u></p> <p>a. Maximum amount upto ₹ 50,000 – Non KYC compliant accounts</p> <p>b. Any amount – in KYC compliant accounts</p> <p>c. No cash deposit is allowed in Small Savings Scheme Accounts (i.e. PPF, Senior Citizen Scheme, Sukanya Sunidhi Scheme, Atal Pension Yojna)</p>	<p>RBI/2016-17/112 DCM (Plg) No. 1226/10.27.00/2016-17 Dt. 08.Nov.2016 Para 3.C.ii</p> <p><u>Small Savings Scheme:</u> FAQ No. 24 (Notification No. RBI/2016-17/151 DCM (Plg) No.1351/10.27.00/2016-17 dt. 23.11.2016)</p>	From 10.Nov.2016
R-2	<p>Check whether required documents have been obtained for Cash Deposits (SBN) from 10.Nov.2016 by customer in his/her own account?</p> <p><u>Documents:</u></p> <p>1. Pay in Slip with proper denomination details</p> <p>2. ID Proof (Check whether copies have been obtained or have been confirmed by Branch official for having verified the ID Proof of customer)</p> <p>3. Explanation from customer for non deposit of cash till 19 Dec. 2016 (when transaction is in excess of ₹ 5,000 or cumulative amount of deposit exceeds ₹ 5,000) -(19.Dec.2016 to 21.Dec.2016) - All type of Accounts</p>	<p>RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 Dt. 08.Nov.2016 Para 3.C.iii</p> <p>RBI/2016-17/189 DCM (Plg) No. 1859/10.27.00/2016-17 dt. December 19, 2016</p> <p>RBI/2016-17/191 DCM (Plg) No. 1911/10.27.00/2016-17 December 21, 2016</p>	From 10.Nov.2016

	4. Explanation from customer for non deposit of cash till 19 Dec. 2016 (when transaction is in excess of ₹ 5,000 or cumulative amount of deposit exceeds ₹ 5,000) - (From 21.Dec.2016) - For non KYC compliant accounts.		
R-3	<p>Check whether required documents have been obtained for Cash Deposits (SBN) from 10.Nov.2016 by person other than account holder? (Third party cash deposit)</p> <p><u>Documents:</u></p> <ol style="list-style-type: none"> 1. Pay in Slip with proper denomination details 2. Authority Letter from Account holder expressly mentioning no objection in favor of tenderer to deposit SBN in his / her account. 3. Copy of ID proof (Acceptable ID proofs are Any one from Aadhaar Card Driving License Voter ID Card Passport NREGA Card PAN Card Identity Card Issued by Government Department, Public Sector Unit to its Staff) 	RBI/2016-17/112 DCM (Plg) No.1226/10.27.00/2016-17 Dt. 08.Nov.2016 Para 3.C.iv	From 10 Nov. 2016
R-4	Check whether separate pay in slip is used for deposit of SBN and Legal Tender Notes (especially for New ₹ 500 note)	RBI/2016-17/131 DCM (Plg) No. 1274 / 10.27.00 / 2016-17 dt. 14.Nov.2016 Para vi (Monitoring)	From 15 Nov. 2016
R-5	Are there any cases wherein Cash in excess of specified limit was accepted in accounts where KYC is still pending? If so, report such cases		



R-6	Are there any cases wherein Cash was accepted in excess of ₹ 50,000 where PAN is not seeded into the account?	RBI/2016-17/135 DCM (Plg) No. 1287 / 10.27.00 / 2016-17 Dt. 16.Nov.2016	RBI Guidelines prospective w.e.f. 16.Nov. 2016 IT Guidelines retrospective applicability w.e.f. 09.Nov.2016
R-7	Check how the transaction of cash deposit on account of flushing of ATM has been accounted? Whether document evidencing denomination of cash is available with the branch?		09.Nov. 2016
R-8	Check are there any cases wherein Cash Deposit is not deposited to customer's account, instead credited to office account and later on transferred to customer's account (As transfer entry and not as cash entry). Report all such instances. Review of all office account and daily transaction report to identify such cases.		From 10.Nov.2016
R-9	Check how the transaction of cash movement (SBN) from / to Currency Chest / Other Branch have been accounted? Whether documents containing denomination details alongwith confirmation of other branch / Currency Chest are on record?		From 09.Nov.2016



R-10	<p>Is there any Cash Deposit / Cash Recycler Machine attached with Branch? If so, whether the same is recalibrated before made in use after 10.Nov.2016?</p> <p><u>Cash Recycler-</u></p> <p>Recalibration w.r.t. prevention of dispensing SBN</p> <p><u>Cash Deposit Machine -</u></p> <p>Disabling deposit of SBN by Third Party in account. Authentication of customer by Debit Card only.</p>	RBI/2016-17/115 DCM (Plg) No.1241/10.27.00/2016-17 Dt. 09.Nov.2016 - Para V	From 10.Nov.2016
R-11	<p>In case of Cash Deposit of ₹ 1 mln. and above, check whether the documents / transaction comply with Rule 4 of Prevention of Money-laundering (Maintenance of Records) Rules, 2005.</p>	Rule 3 & Rule 4 of Prevention of Money-laundering (Maintenance of Records) Rules, 2005.	From 10.Nov.2016
	<p><u>Rule 4-PML Rules, 2005</u></p> <p><i>Records containing Information</i> <i>The records referred to in rule 3 shall contain all necessary information specified by the Regulator to permit reconstruction of individual transaction including* the following information:-</i></p> <p>(a) <i>the nature of the transactions;</i></p> <p>(b) <i>the amount of the transaction and the currency in which it was denominated;</i></p> <p>(c) <i>the date on which the transaction was conducted; and</i></p> <p>(d) <i>the parties to the transaction</i></p>		



R-12	In case of Cash Deposit in NRO / NRE Account, check whether FEMA guidelines have been complied with.	Reg. 3(2)(b) of FEMA (Export and Import of Currency) Regulations, 2015 – Notification No. 6(R) dated 29-12-2015	From 10.Nov.2016
R-13	Check whether enhanced due diligence is carried out by branch for cash deposit in Minor Account, Third Party cash deposit in Minor Account and bulk cash deposit in Trust, Association, Society accounts. Refer bank's internal guidelines for activities to be carried out by branches.		From 10.Nov.2016
R-14	Check whether copies of relevant records / challans are available with branch for deposit of SBN for Direct Tax (including IDS) and Indirect Tax collection.		From 10.Nov.2016
R-15	Check whether any cuttings / overwriting in Pay in Slips have been observed? If so whether the same is authenticated by Depositor?		From 10.Nov.2016
R-16	Check the adherence to the guidelines applicable for transactions in Small Savings Account and Basic Savings Accounts.		From 10.Nov.2016





R-17	<p><u>Process followed for handling of Counterfeit Notes:</u></p> <ul style="list-style-type: none">a. Check process of impounding of counterfeit notesb. Check process of maintenance of register and stampsc. Check process of issuance of acknowledgement of impoundingd. Check process of reporting of counterfeit notese. Review reporting made in Annexure 6A with counterfeit note register.f. Check whether process of FIR filing is done as per extant guidelines.	From 10.Nov.2016
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Part – 4 Reporting Requirements

Ref- No.	Checkpoint	Ref. to RBI guidelines	Periodicity
RP-1	Reporting of Closing Balance of SBN as on 8th November, 2016 to RBI (Annexure - 1 of RBI Circular)	RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00/2016-17 dt. 08.Nov.2016	On 09.Nov.2016
RP-2	Daily reporting of Cash Deposit and Exchange in format Annexure - 6 and Annexure 6A to Controlling Office and RBI Amendment in format of Reporting (i.e. Annexure 6) w.e.f. 12.Nov.2016	RBI/2016-17/112 DCM (Plg) No. 1226 / 10.27.00 / 2016-17 dt. 08.Nov.2016	From 10.Nov.2016
RP-3	Daily of Reporting details of Counterfeit Notes detected and information on payment over the counter added	RBI/2016-17/128 DCM (Plg) No.1268 / 10.27.00/2016-17 dt. 12.Nov.2016	From 12.Nov.2016
RP-4	Is there any delay in the reporting of information to Controlling Office / RBI? If so, report the cases.		From 10.Nov.2016
RP-5	Whether proper records have been maintained for the figures reported in Annexure 6?		From 10.Nov.2016
RP-6	Whether total collection of SBNs upto December 30, 2016 have been reported through email to RBI?	RBI/2016-17/201 DCM (Plg) No. 2103 / 10.27.00 /2016-17	30.Dec.2016

Part – 5 New Account opening from 10th Nov. 2016

Ref- No.	Checkpoint	Periodicity
N-1	Whether all the Accounts opened after 8th November, 2016 have been activated after completion of KYC formalities?	From 10.Nov.2016
N-2	Whether PAN is obtained / updated in case wherein SBN in excess of ₹ 50,000 is accepted for Account Opening?	From 10.Nov.2016
N-3	Whether copies of Foreign Passport have been obtained before issuance of Prepaid Cards to Foreign Nationals?	From 10.Nov.2016

Part – 6 Review & Other aspects

Ref- No.	Checkpoint
M-1	Check whether any withdrawal have been accounted through Office Account beyond the prescribed limit to customer?
M-2	Review all office accounts (including inter branch accounts) for usage other than prescribed purpose or possible use as rotation of entries.
M-3	Review entries in Staff Accounts, Accounts of relatives of staff for any abnormal deposits / withdrawals. (Obtain duly certified list of Staff Name with Account Numbers from Branch Manager / HR Dept.)
M-4	<p>Check whether multiple accounts of a same customer have been opened with different CUST ID / CIF No.? Whether such accounts have been used as bulk deposits / withdrawals?</p> <p>Suggested Data: For multiple CUST ID for same customer (Triggers PAN, Passport No., Aadhar Card, Date of Birth and Name etc.)</p>
M-5	For KYC / Re-KYC updations after 8th November, 2016 check whether the KYCs have been updated after obtaining requisite documents. Point out cases wherein KYC updation in system is carried out without obtaining requisite documents.
M-6	Check whether requisite documents have been obtained for lifting of Dormancy Flags post 8th November, 2016
M-7	<p>Check whether denominationwise reconciliation of SBN received at branch is available? Check whether supporting data / details are on record.</p> <p>Reconciliation methodology Op. Balance of SBN as per Cash Register + Received at Counter + Received at Exchange Counter - Remitted to Chest = Cl. Balance of SBN as per Cash Register.</p>
M-8	<p>Check whether denominationwise reconciliation of Legal Tender notes disbursed from branch is available? Check whether supporting data / details are on record.</p> <p>Reconciliation methodology Op. Balance of Legal Tender Notes as per Cash Register + Received from Chest - Remitted to Chest = Cl. Balance of Legal Tender Notes as per Cash Register. (For each denomination)</p>
M-9	Check whether Vault / Cash register is updated and the balance as per register is tallying with Balance as per CBS for the day.
M-10	<p>Newly opened Accounts with SBN (from 8th Nov. 2016 to till date) Review any abnormal transactions in the said type of cases.</p>
M-11	<p>Foreign Outward Remittance after deposit of cash in SBN Bring out the cases to the notice of Branch for enhanced due diligence of transaction from money laundering and FEMA perspective.</p>

M-12	<p>New Loans sanctioned with disbursement in cash & pre mature repayment of loan in cash during the period (esp. Agri Loan, Gold Loans)</p> <p>Bring out the cases wherein loan disbursement was made in Cash (Legal Tender) repayment was done in SBN. Report the cases wherein “Replacement of Currency” trend is visible.</p>
M-13	<p>Deposit in Account between period 10th Oct. 2016 and 30th Dec. 2016 in excess of ₹ 2,50,000 without PAN Rule 114b amended</p> <p>Check whether any cash deposit (aggregate) beyond ₹ 2,50,000 is allowed in accounts wherein PAN is not available?</p> <p>Report the cases as non adherence to IT guidelines.</p>
M-14	<p>Cash Deposit in Jan Dhan Account</p> <p>There have been various reports of the PMJDY accounts being misused. Check whether documents are available for cash deposit. Whether process of ascertaining customer’s visit to branch is evidenced.</p> <p>Moreover, also check whether the funds have been immediately transferred through RTGS / NEFT / Transfer to third party account after deposit of SBN.</p> <p>In addition to it, check any case of multiple transfers from different PMJDY Account to one account or group of account.</p>
M-15	<p>Excess deposit (in excess of dues) in Loan and Credit Card Accounts? (Availability of PAN for Reporting)</p> <p>Are there any transactions of excess cash deposit (deposit in excess of total due amount) in Loan / Credit Card Accounts? If so check whether all KYC details including PAN is available in the Loan Account.</p> <p>Check are there any cases of repayment of loan through bulk cash deposit in EMI Loan Accounts? If so, whether any suspicious transactions have been observed? If so report the same for enhanced due diligence.</p> <p>Also check whether such deposits have been routed through a pool account? If so comment on possibility of non reporting due to transfer of funds from pool account to actual account with transaction type other than Cash.</p>
M-16	<p>Dormant Activation and cash deposit immediately after activation</p> <p>Check whether any suspicious transactions have been observed in accounts wherein cash has been deposited immediately after dormancy flag is lifted.</p>
M-17	<p>New Account Opening and Closure in short period with SBN Cash deposit</p> <p>Check whether new account has been opened and closed in short period for deposit of SBN. In case of any suspicious activity report the same to Branch for enhanced due diligence.</p>

M-18	<p>Large cash deposit in Tax collection account (Availability of PAN for Reporting)</p> <p>Check whether PAN / Tax collection numbers are available in case of large cash deposit for Tax Collection (Indirect Tax)</p>
M-19	<p>Cash deposits near to reporting limits</p> <p>Review cases of multiple cash deposits in accounts near to prescribed limits for Reporting. Report in case any suspicious activity is evidenced.</p>
M-20	<p>Data on Issuance of DD / PO/ NEFT / RTGS against deposit of SBN to third party</p> <p>Check whether any case of cash deposit of SBN in account wherein the funds have been remitted by way of DD / PO / NEFT / RTGS to other account. Whether any suspicious activity is noticed? If so report the same to Branch for enhanced due diligence.</p>
M-21	<p>Data on Issuance of DD / PO to Insurance companies for subscription to new insurance policy (Non availability of name of purchaser on DD)</p> <p>Check whether DD / PO was issued by way of cash or by way of debit to account (where cash is deposited in SBN) in favor of Insurance Company. The route may be used to fund policy of other person (other than the account holder). Check whether any suspicious transaction is observed. If so report the same for enhanced due diligence.</p>
M-22	<p>Acceptance of SBN for para banking activities viz. Life Insurance Policies, ULIPs through Office Accounts</p> <p>Check whether any insurance, ULIP plans have been offered to customer under para banking activities by deposit of SBN through office accounts. If so report the said cases.</p>
M-23	<p>Instances of Cash Shortage:</p> <p>Check the cash shortage reported by branch on various days.</p> <p>Check whether the cash shortage in excess of ₹ 10,000 have been reported as Fraud in terms of Master Directions on Fraud (RBI/DBS/2016-17/28 DBS. CO. CFMC. BC. No. 1 /23.04.001/2016-17 Dt. July 01, 2016)</p>
M-24	<p>Instances of Excess Cash:</p> <p>Check instances of Cash Excess reporting by branch.</p> <p>Check for reversal of entries from Excess Cash Office Account with documents for correctness of transaction.</p>

M-25	<p>Demand Draft issuance in Cash and cancellation by credit to Account:</p> <p>Check instances of issuance of Demand Draft against Cash and cancellation of the said draft by credit to Account.</p>
M-26	<p>Relaxation in Prudential Norms for Income Recognition, Asset Classification and Provisioning pertaining to Advances</p> <p>Review recovery in advance accounts and NPA classifications based on the guidelines issued by RBI on November 21, 2016 and December 28, 2016.</p>
M-27	<p>Transfer of SBNs to RBI Issue Office / Currency Chest by December 31, 2016</p> <p>Check whether all the SBNs held by branch (other than those of DCCBs) have been physically moved to RBI Issue office / Currency Chest by December 31, 2016?</p> <p><i>(SBNs cannot form part of banks' cash balances from the close of business as on December 31, 2016.)</i></p>

COMPOSITION OF INTERNAL AUDIT STANDARDS BOARD 2016-17

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Chairman, Internal Audit Standards Board

CA. Anil Satyanarayan Bhandari, FCA
Vice-Chairman, Internal Audit Standards Board

CA. M. Devaraja Reddy, FCA
President, ICAI

CA. Nilesh Shivji Vikamsey, FCA
Vice-President, ICAI

CA. Tarun Jamnadas Ghia, FCA

CA. Mangesh Pandurang Kinare, FCA

CA. Dhinal Ashvinbhai Shah, FCA

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CA. M. P. Vijay Kumar, FCA

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CA. Kemisha Soni, FCA

CA. Sanjiv Kumar Chaudhary, FCA

CA. Sanjay Vasudeva, FCA

Shri Vithayathil Kurian

Shri Vijay Kumar Jhalani

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CA. Kartik Bharatkumar Radia, FCA

CA. Krishna Kumar T., FCA

CA. Vipin Gupta, FCA

CA. Viswanath K., FCA

CA. Yashwant Jaywant Kasar, FCA

Special Invitee

CA. Shobhit Dwivedi

Secretary, IASB

CA. Jyoti Singh

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