



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2004-05/ 99
DBOD.No.Leg.BC. 22 / 09.07.005/ 2004-2005

August 4, 2004

All scheduled commercial banks
(Excluding RRBs)

Dear Sir,

Opening of Current Accounts by banks – Need for discipline

Please refer to our circular DBOD.No.Leg.BC.84/09.07.005/2003-04 dated May 15, 2004.

2. In this connection, it is clarified that where the due diligence is carried out on the request of a prospective customer who is a corporate or large borrower enjoying credit facilities from more than one bank, the banks may inform the consortium leader, if under consortium, and the concerned banks, if under multiple banking arrangement.

3. Banks may open current accounts of prospective customers in case no response is received from the existing bankers after a minimum waiting period of a fortnight. If a response is received within a fortnight, banks should assess the situation with reference to information provided on the prospective customer by the bank concerned and are not required to solicit a formal no objection, consistent with true freedom to the customer of banks as well as needed due diligence on the customer by the bank.

4. Banks are advised to be guided by the need for effective due diligence in these matters as also the objective of customer satisfaction and ensure that suitable arrangements are in place for prompt and serious attention to references received from banks in this regard.

Yours faithfully,

(C.R. Muralidharan)

Chief General Manager-in-Charge

भारतीय रिज़र्व बैंक, मुंबई, २२ / ०९.०७.००५ / २००४-२००५