



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2012-13/141

RPCD.CO.RCB.BC. Dir. No.15/07.38.01/2012-13

July 23, 2012

All State and Central Co-operative Banks

Dear Sir,

**Interest Rate on Deposits held in Ordinary Non-Resident (NRO) and Non-Resident (External) (NRE) Accounts**

Please refer to paragraph 4 of our Directive RPCD.No.RF.DIR.BC.53/D.1-87/88 dated November 2, 1987 enclosed to our circular RPCD.No.RF.DIR.BC.54/D.1-87/88 of the same date in terms of which it was clarified that in the case of savings or term deposit account opened in the names of staff members, existing or retired, interest rate including any additional interest paid to them by virtue of their being staff members, should not exceed the ceiling stipulated by RBI from time to time.

2. On a review, it has now been decided that banks should not allow the benefit of additional interest rate on any type of deposits of non-residents. Accordingly, the discretion given to banks to allow the benefit of additional interest rate of one per cent per annum as available to bank's own staff on deposits under NRE/NRO accounts stands withdrawn.

3. All other instructions in this regard, as amended from time to time, will remain unchanged.

Yours faithfully,

(C.D.Srinivasan)  
Chief General Manager