

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3282
ANSWERED ON:01.08.2014
OPENING OF BANK ACCOUNTS OF CHILDREN
Kumar Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has directed the banks to allow children over 10 years to open a saving account and operate it without supervision of their parents or guardians;
- (b) if so, the details thereof;
- (c) whether the banks have been asked not to insist to furnish documents which the street children could not submit; and
- (d) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance (SMT. NIRMALA SITHARAMAN)

(a) to (d): With a view to promote the objective of financial inclusion and also to bring uniformity among banks in opening and operating minors' accounts Reserve Bank of India (RBI) issued guidelines dated May 6, 2014 to all Scheduled Commercial Banks on Opening of Bank Accounts in the Names of Minors which, prescribes that Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire. Banks may, however, keeping in view their risk management systems, fix limits in terms of age and amount up to which minors may be allowed to operate the deposit accounts independently. Banks can also decide, in their own discretion, as to what minimum documents are required for opening of accounts by minors. On attaining majority, the erstwhile minor should confirm the balance in his / her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor should be obtained and kept on record for all operational purposes.