With a view to curbing financing of terrorism through the proceeds of Fake Indian Currency Notes (FICN) and use of such funds for subversive activities such as espionage, smuggling of arms, drugs and other contrabands into India, and for eliminating Black Money which casts a long shadow of parallel economy on our real economy, it has been decided to cancel the legal tender character of the High Denomination bank notes of Rs.500 and Rs.1000 denominations issued by RBI till now. This will take effect from the expiry of the 8th November, 2016.

2. Fake Indian Currency Notes (FICN) in circulation in these denominations are comparatively larger as compared to those in other denominations. For a common person, the fake notes look similar to genuine notes. Use of FICN facilitates financing of terrorism and drug trafficking. Use of high denomination notes for storage of unaccounted wealth has been evident from cash recoveries made by law enforcement agencies from time to time. High denomination notes are known to facilitate generation of black money. In this connection, it may be noted that while the total number of bank notes in circulation rose by 40% between 2011 and 2016, the increase in number of notes of Rs.500/- denomination was 76% and for Rs.1,000/- denomination was 109% during this period. New Series bank notes of Rs.500/- and Rs.2,000/- denominations will be introduced for circulation from 10th November, 2016. Infusion of Rs.2,000/- bank notes will be monitored and regulated by RBI. Introduction of new series of banknotes which will be distinctly different from the current ones in terms of look, design, size and colour has been planned.

3. The World Bank in July, 2010 estimated the size of the shadow economy for India at 20.7% of the GDP in 1999 and rising to 23.2% in 2007. There are similar estimates made by other Indian and international agencies. A parallel shadow economy corrodes and eats into the vitals of the country’s economy. It generates inflation which adversely affects the poor and the middle classes more than others. It deprives Government of its legitimate revenues which could have been otherwise used for welfare and development activities.
4. In the last two years, the Government has taken a number of steps to curb the menace of black money in the economy including setting up of a Special Investigation Team (SIT); enacting a law regarding undisclosed foreign income and assets; amending the Double Taxation Avoidance Agreement between India and Mauritius and India and Cyprus; reaching an understanding with Switzerland for getting information on Bank accounts held by Indians with HSBC; encouraging the use of non-cash and digital payments; amending the Benami Transactions Act; and implementing the Income Declaration Scheme 2016.

5. In order to implement the above decisions of the Government and keeping in view the need to minimise inconvenience to the public, the following operational guidelines have been issued:

(i) Old High Denomination Bank Notes may be deposited by individuals/persons into their bank accounts and/or exchanged in bank branches or Issue Offices of RBI till the close of business hours on 30\textsuperscript{th} December, 2016.

(ii) Old High Denomination Bank Notes of aggregate value of Rs.4,000/- only or below held by a person can be exchanged by him/her at any bank branch or Issue Office of Reserve Bank of India for any denomination of bank notes having legal tender character, provided a Requisition Slip as per format to be specified by RBI is presented with proof of identity and along with the Old High Denomination Bank Notes. Similar facilities will also be made available in Post Offices.

(iii) The limit of Rs.4,000/- for exchanging Old High Denomination Bank Notes at bank branches or at issue offices of Reserve Bank of India will be reviewed after 15 days and appropriate notification issued, as may be necessary.

(iv) There will not be any limit on the quantity or value of Old High Denomination Bank Notes to be credited to the account of the tenderer maintained with the bank, where the Old High Denomination Bank Notes are tendered. However, in accounts where compliance with extant Know Your Customer (KYC) norms is not complete, a maximum value of Rs.50,000/- of Old High Denomination Bank Notes can be deposited.

(v) The equivalent value of the Old High Denomination Bank Notes tendered can be credited to an account maintained by the tenderer at any bank in accordance with standard banking procedure and on production of valid proof of Identity.

(vi) The equivalent value of the Old High Denomination Bank Notes tendered can be credited to a third party account, provided specific authorisation therefor accorded by the said account holder is presented to the bank, following standard banking procedure and on production of valid proof of Identity of the person actually tendering.
(vii) Cash withdrawal from a bank account, over the counter will be restricted to Rs.10,000/- subject to an overall limit of Rs. 20,000/- in a week for the first fortnight, i.e., until the end of business hours on November 24, 2016.

(viii) There will be no restriction on the use of any non-cash method of operating the account which will include cheques, demand drafts, credit/debit cards, mobile wallets and electronic fund transfer mechanisms.

(ix) Withdrawal from ATMs would be restricted to Rs.2,000 per day per card up to November 18, 2016. The limit will be raised to Rs.4,000 per day per card from November 19, 2016 onwards.

(x) For those who are unable to exchange their Old High Denomination Bank Notes or deposit the same in their bank accounts on or before December 30, 2016, an opportunity will be given to them to do so at specified offices of the RBI on later dates along with necessary documentation as may be specified by the Reserve Bank of India.

(xi) Instruction is also being issued for closure of banks and Government Treasuries, on 9th November, 2016.

(xii) In addition, all ATMs, Cash Deposit Machines, Cash Recyclers and any other machine used for receipt and payment of cash will remain shut on 9th and 10th November, 2016.

(xiii) The bank branches and Government Treasuries will function from 10th November, 2016.

(xiv) To avoid inconvenience to the public for the first 72 Hours, Old High Denomination Bank Notes will continue to be accepted at Government Hospitals and pharmacies in these hospitals/Railway ticketing counters/ticket counters of Government/Public Sector Undertaking buses and airline ticketing counters at airports; for purchases at consumer co-operative societies, at milk booths, at crematoria/burial grounds, at petrol/diesel/gas stations of Public Sector Oil Marketing Companies and for arriving and departing passengers at international airports and for foreign tourists to exchange foreign currency at airports up to a specified amount.

6. The relevant Notifications are available in the website of Finance Ministry (http://finmin.nic.in/). Further details including Frequently Asked Questions (FAQs) are available on the website of the Reserve Bank of India (https://www.rbi.org.in/).
भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)
PART II—Section 3—Sub-section (ii)

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चित्र मंचलय

(आर्थिक कार्य विभाग)

अधिसूचना

नई दिल्ली, 8 नवम्बर, 2016

का.आ. 3407(श)— भारतीय रिजर्व बैंक के केंद्रीय निर्देशक बोर्ड (जिसे इसमें इसके पश्चात बोर्ड कहा गया है) ने सिफारिश की है कि विभागान शुल्काओं के पांच रुपए और एक हजार रुपए के अंकित मूल्य के बैंक नोट (जिसे इसमें इसके पश्चात विनिर्दिष्ट बैंक नोट कहा गया है) बैंक मुद्रा नहीं रहेंगे;

और यह देखा गया है कि विनिर्दिष्ट बैंक नोट के जाली मुद्रा नोट अविश्वसनीय रूप से परिचालन में हैं और वास्तविक बैंक नोटों की जाली बैंक नोटों से मरम्मत से पहचान करना कठिन है और जाली मुद्रा नोटों का उपयोग देश की अर्थव्यवस्था पर प्रतिकूल प्रभाव डाल रहा है;

और यह देखा गया है कि उच्च मूल्य के बैंक नोट का उपयोग गणना में न लिया गया धन के भंडारण के लिए किया जाता है जैसा कि विधि प्रवर्तन अभिकर्णों द्वारा नकदी की बड़ी सूचनाओं से परिलक्षित है;

और यह भी देखा गया है कि जाली मुद्रा का उपयोग मादक पदार्थों का अवैध व्यापार और आतंकवाद के जन्म प्रवृत्ति गतिविधियों के विलोपन के लिए किया जा रहा है, जो देश की अर्थव्यवस्था और सुरक्षा को नुकसान कर रही है तथा सेंट्रल सरकार ने सम्पूर्ण विचारण के पश्चात बैंक के सिफारिशों को कार्यान्वित करने का निर्देशन किया है;

अतः अब, केंद्रीय सरकार, भारतीय रिजर्व बैंक अधिनियम, 1934 (1934 का 2) (जिसे इसमें इसके पश्चात उक्त अधिनियम कहा गया है) की धारा 26 की उपधारा (2) द्वारा प्रदत्त श्रेयसिकों का प्रयोग करते हुए, घोषणा करती है कि विनिर्दिष्ट बैंक नोट 9 नवंबर, 2016 से तीसरे विनिर्दिष्ट सीमा तक वैध मुद्रा के रूप में नहीं रहेंगे।

1.(1) बैंककारी कंपनी (बिनियमन) अधिनियम, 1949 (1949 का 10) के अधीन परिभाषित प्रथम बैंककारी कंपनी और प्रथम सरकारी बैंक को मार्गदर्शित करते हुए वर्तमान संदर्भ में अभिभूत कार्यान्वयन को उसके द्वारा विनिर्दिष्ट प्रारूप में अभिभूत करेगा।
उप अंश (2) में निर्दिष्ट रिटर्न को अप्रौंदत करने के तुरंत पश्चात, निर्दिष्ट बैंक को लिख या निकटतम गुड़ बेंट या रिजर्व बैंक की शाखा या कार्यालय में उनके लेखांतों में प्रवेश के लिए प्रतिष्ठित किया जाएगा।

2. उप अंश (1) में निर्दिष्ट किसी बैंककारी कंपनी या सरकारी बजाना से भिन्न किसी व्यक्ति द्वारा धूल निर्दिष्ट बैंक को रिजर्व बैंक के किसी निर्माण कार्यालय या कल्पना सेक्टर बैंकों, प्राथमिक सेक्टर बैंकों, विदेशी बैंकों, प्राथमिक प्रमाण बैंकों, शहरी सहकारी बैंकों और राज्य सहकारी बैंकों की किसी शाखा में 30 दिसंबर, 2016 तक की नामांव (अंतिम तिथि रहते हैं, अभाव है)।

(i) कुल 4,000/- रूपये या उससे कम मूल्य के निर्दिष्ट बैंक को विभिन्न बैंक मुद्रा की बिशेषता रखने वाले किसी अंकित मूल्य के बैंक नोटों में भारतीय रिजर्व बैंक किया जाने वाले प्रकार में एक अध्ययन पत्र और प्रस्ताव के साथ वित्तीय किया जाएगा।

(ii) निर्दिष्ट बैंक को ये निर्माण अंतिम तिथि रूपये 4,000/- रूपये की सीमा में प्रयोग किया जाएगा और जहाँ भी आवश्यक, समुच्चय अद्यावधी किया जाएगा।

(iii) किसी व्यक्ति द्वारा बैंक के पास रखे गए लेखे में प्रवेश किए एवं निर्दिष्ट बैंक को लेिता या उत्तराधिकारी की तिथि नहीं होगी, जहाँ निर्दिष्ट बैंक नोट किया जाए तारीख (केवल तिथि) मानकों की अनुमानवार्ता पूर्ण नहीं है तो जमा किया जा सकते बैंक को अखिल बैंक मूल्य 50,000/- रूपये होगा।

(iv) जमा किया गए निर्दिष्ट बैंक को समतुल्य रूपये का जमा करने वाले द्वारा किसी बैंक में रखे गए लेखे में मानक बैंककारी तस्किया के अनुसार और प्राप्त की रूपरेखा का विश्वास सुनिश्चित किया जाएगा।

(v) जमा किया गए निर्दिष्ट बैंक को समतुल्य रूपये का किसी कृतियाँ पश्चात के लेखे में प्रवेश किया जाएगा। उसके लिए, तस्किया पश्चात वित्तीय कार्यालय की अनुमानवार्ता नहीं है, और जमा करने वाले यदि उन लेखों में जीते हुए, उन लेखों के साथ निर्दिष्ट बैंक को अंतिम तिथि होगा।

(vi) संभवतः टैलर मशीन (जिसे इसमें इसके पश्चात् एटीएम कहा गया है) से 18 नवंबर, 2016 तक रूपये 2,000/- तक वित्तीय किया जाएगा।

(vii) कोई घटना के इस व्यक्ति द्वारा प्राप्त, किसी गैर क्षमता द्वारा प्राप्त, वैध या विवेकानुभव अंतर तंत्र या बैंकों और इलेक्ट्रॉनिक निधि अंतरण तंत्र या वैसे ही सम्बन्धित होंगे।

(viii) स्वचालित टैलर मशीनों (जिसे इसमें इसके पश्चात् एटीएम कहा गया है) में 18 नवंबर, 2016 तक प्रतिवर्तन प्रति तारीख आहरण 2,000/- रूपये तक वित्तीय किया जाएगा।

(x) कोई बैंक, जो निर्दिष्ट बैंक को अपने बैंक बांटों में 30 दिसंबर, 2016 को या उससे पूर्व वित्तीय करते हैं, उसके भारतीय रिजर्व बैंक के निर्दिष्ट कार्यालयों या ऐसी अन्य सुविधा में रिजर्व बैंक द्वारा निर्दिष्ट पश्चातवारी तारीख तक रिजर्व बैंक द्वारा वित्तीय करने या जमा करने का एक अवसर प्रदान किया जाएगा।

3.(1) उप अंश (1) में निर्दिष्ट प्रयोग बैंककारी कंपनी और गैरसरकारी बजाना 9 नवंबर, 2016 को इसमें इसके स्थान में को कार्यान्वित करने के लिए तैयार और नजरदारी मुद्रा बैंकों या रिजर्व बैंक की शाखाओं या कार्यालयों और बैंक मुद्रा की बिशेषता रखने वाले बैंक तक की प्राप्ति के सभी कार्यालय के संपत्त्यकारों के लिए बंद होगा।

(2) सभी एटीएम, नकदी जमा मशीन, नकदी पुन: चक्रों और कोई अन्य मशीन, जिनका उपयोग नकदी की प्राप्ति और संदाय के लिए किया जाता है, 9 नवंबर तथा 10 नवंबर, 2016 को बंद कर दी जाएगी।
S.O. 3407(E).— Whereas, the Central Board of Directors of the Reserve Bank of India (hereinafter referred to as the Board) has recommended that bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees (hereinafter referred to as specified bank notes) shall be ceased to be legal tender;

And whereas, it has been found that fake currency notes of the specified bank notes have been largely in circulation and it has been found to be difficult to easily identify genuine bank notes from the fake ones and that the use of fake currency notes is causing adverse effect to the economy of the country;

And whereas, it has been found that high denomination bank notes are used for storage of unaccounted wealth as has been evident from the large cash recoveries made by law enforcement agencies;

And whereas, it has also been found that fake currency is being used for financing subversive activities such as drug trafficking and terrorism, causing damage to the economy and security of the country and the Central Government after due consideration has decided to implement the recommendations of the Board;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 26 of the Reserve Bank of India Act, 1934 (2 of 1934) (hereinafter referred to as the said Act), the Central Government hereby declares that the specified bank notes shall cease to be legal tender with effect from the 9th November, 2016 to the extent specified below, namely:—

1. (1) Every banking company defined under the Banking Regulation Act, 1949 (10 of 1949) and every Government Treasury shall complete and forward a return showing the details of specified bank notes held by it at the close of business as on the 8th November, 2016, not later than 13:00 hours on the 10th November, 2016 to the designated Regional Office of the Reserve Bank of India (hereinafter referred to as the Reserve Bank) in the format specified by it.

(2) Immediately after forwarding the return referred to in sub-paragraph (1), the specified bank notes shall be remitted to the linked or nearest currency chest, or the branch or office of the Reserve Bank, for credit to their accounts.

2. The specified bank notes held by a person other than a banking company referred to in sub-paragraph (1) of paragraph 1 or Government Treasury may be exchanged at any Issue Office of the Reserve Bank or any branch of public sector banks, private sector banks, foreign banks, Regional Rural Banks, Urban Cooperative Banks and State Cooperative Banks for a period up to and including the 30th December, 2016, subject to the following conditions, namely:—

(i) the specified bank notes of aggregate value of Rs.4,000/- or below may be exchanged for any denomination of bank notes having legal tender character, with a requisition slip in the format specified by the Reserve Bank and proof of identity;
(ii) the limit of Rs.4,000/- for exchanging specified bank notes shall be reviewed after fifteen days from the date of commencement of this notification and appropriate orders may be issued, where necessary;

(iii) there shall not be any limit on the quantity or value of the specified bank notes to be credited to the account maintained with the bank by a person, where the specified bank notes are tendered; however, where compliance with extant Know Your Customer (KYC) norms is not complete in an account, the maximum value of specified bank notes as may be deposited shall be Rs.50,000/-;

(iv) the equivalent value of specified bank notes tendered may be credited to an account maintained by the tenderer at any bank in accordance with standard banking procedure and on production of valid proof of Identity;

(v) the equivalent value of specified bank notes tendered may be credited to a third party account, provided specific authorisation therefor accorded by the third party is presented to the bank, following standard banking procedure and on production of valid proof of identity of the person actually tendering;

(vi) cash withdrawal from a bank account over the counter shall be restricted to Rs.10,000/- per day subject to an overall limit of Rs. 20,000/- a week from the date of commencement of this notification until the end of business hours on 24th November, 2016, after which these limits shall be reviewed;

(vii) there shall be no restriction on the use of any non-cash method of operating the account of a person including cheques, demand drafts, credit or debit cards, mobile wallets and electronic fund transfer mechanisms or the like;

(viii) withdrawal from Automatic Teller Machines (hereinafter referred to as ATMs) shall be restricted to Rs.2,000 per day per card up to 18th November, 2016 and the limit shall be raised to Rs.4,000 per day per card from 19th November, 2016;

(ix) any person who is unable to exchange or deposit the specified bank notes in their bank accounts on or before the 30th December, 2016, shall be given an opportunity to do so at specified offices of the Reserve Bank or such other facility until a later date as may be specified by it.

3. (1) Every banking company and every Government Treasury referred to in sub-paragraph (1) of paragraph 1 shall be closed for the transaction of all business on 9th November, 2016, except the preparation for implementing this scheme and remittance of the specified bank notes to nearby currency chests or the branches or offices of the Reserve Bank and receipt of bank notes having legal tender character.

(2) All ATMs, Cash Deposit Machines, Cash Recyclers and any other machine used for receipt and payment of cash shall be shut on 9th and 10th November, 2016.

(3) Every bank referred to in sub-paragraph (1) of paragraph 1 shall recall the specified bank notes from ATMs and replace them with bank notes having legal tender character prior to reactivation of the machines on 11th November, 2016.

(4) The sponsor banks of White Label ATMs shall be responsible to recall the specified bank notes from the White Label ATMs and replacing the same with bank notes having legal tender character prior to reactivation of the machines on 11th November, 2016.

(5) All banks referred to in sub-paragraph (1) of paragraph 1 shall ensure that their ATMs and White Label ATMs shall dispense bank notes of denomination of Rs.100 or Rs. 50, until further instructions from the Reserve Bank.

(6) The banking company referred to in sub-paragraph (1) of paragraph 1 and Government Treasuries shall resume their normal transactions from 10th November, 2016.

4. Every banking company referred to sub-paragraph (1) of paragraph 1, shall at the close of business of each day starting from 10th November, 2016, submit to the Reserve Bank, a statement showing the details of specified bank notes exchanged by it in such format as may be specified by the Reserve Bank.

[F.No.10/03/2016-Cy.I]

Dr. SAURABH GARG , Jt. Secy.
बिल मंत्रालय
(आर्थिक कार्य विभाग)
अधिसूचना
नई दिल्ली, 8 नवंबर, 2016

का.आ. 3408(अ)—केंद्रीय सरकार ने, भारत के राजपत्र, असाधारण, भाग II, खंड 3, उपखंड (ii), तारीख 8 नवंबर, 2016 में प्रकाशित भारत सरकार के बिल मंत्रालय की अधिसूचना सं. 10/3/2016-सीवाई-I तारीख 8 नवंबर, 2016 द्वारा यह घोषणा की है कि पांच सौ रुपए तथा एक हजार रुपए के अंक मूल्य की विभिन्न ध्वस्तों के बैंक नोट (जिन्हें इसमें इसके पश्चात् विनिर्दिष्ट बैंक नोट कहा गया है) 9 नवंबर, 2016 से ही वैध मुद्रा नहीं रहेगी ;

और विनिर्दिष्ट बैंक नोटों का प्रयोग करने वाले कर्तिपय आपातक और अत्याचार के संदर्भ में जनता की सुरक्षा के लिए कर्तिपय क्रूरों को अधिसूचित करना आवश्यक हो गया है ;

अतः, अब, केंद्रीय सरकार भारतीय रिजर्व बैंक अधिनियम, 1934 (1934 का 2) की धारा 26 की उपधारा (2) द्वारा प्रदत्त अधिकारों का प्रयोग करते हुए यह घोषणा करती है कि विनिर्दिष्ट बैंक नोट 9 नवंबर, 2016 से 11 नवंबर, 2016 तक नीचे विनिर्दिष्ट संवेदनाओं के विस्तार तक वैध मुद्रा नहीं रहेगी, अर्थात् —

(क) चिकित्सकों के नुस्खों के साथ औषधियों क्रय करने के लिए सरकारी अस्पतालों में चिकित्सा उपचार और फार्मेसी के लिए सरकारी अस्पतालों में संदर्भ करने हेतु ;

(ख) रेल टिकट काउंटरों, सरकारी या विभिन्न सेवा केंद्र, उपक्रम की बैंकों के टिकन काउंटरों पर और टिकन के क्रय के लिए विभागान्तर्गत रेल टिकट काउंटरों पर ;

(ग) केंद्रीय सरकार या राज्य सरकारों के प्राधिकार के अधीन प्रचालित उपमंडल सहकारी भंडारों पर क्रय के लिए ;

(घ) केंद्रीय सरकार या राज्य सरकारों के प्राधिकार के अधीन कार्य कर रहे दूध बूथों पर क्रय के लिए ;
(३) पत्रिका सेक्टर तेल विपणन कंपनियों के प्राधिकार के अधीन कार्य कर रहे स्टेशनों से पेट्रोल, डीजल और गैस के खरीद के लिए;

(च) शवदाह गृहों और कृत्रिम गृहों में संदर्भ के लिए;

(छ) अंतरराष्ट्रीय विमानपट्टनों में, आयामन और प्रस्थान करने वाले ऐसे यात्रियों के लिए, जो ऐसे विनिर्दिष्ट बैंक नोट रखते हैं, जिनका मूल्य बैंक मुद्रा विशेषता रखने वाले नोटों के लिए उनका विनिमय करने के लिए पाँच हज़ार रुपए से अधिक नहीं हैं;

(ज) विदेशी पर्यटकों के लिए, विदेशी मुद्रा या विनिर्दिष्ट बैंक नोट, जिनका मूल्य बैंक मुद्रा की विशेषता रखने वाले नोटों के लिए उनका विनिमय करने के लिए पाँच हज़ार रुपए से अधिक नहीं है, का विनिमय करने के लिए।

2. पैरा 1 में निरनिर्देश सभी व्यापार 9 नवंबर, 2016 और 11 नवंबर, 2016 के बीच की अवधि के दौरान विनिर्दिष्ट बैंक नोटों से किए गए संच्यवहारों के स्टॉक और विक्रय के अभिलेख का पुरा लेखा-जोखा रखें।

[फा.सं. 10/03/2016-सीवाई.]

Dr. Saurabh Garg, संयुक्त सचिव

MINISTRY OF FINANCE
(Department of Economic Affairs)
NOTIFICATION
New Delhi, the 8th November, 2016

S.O. 3408(E).—Whereas, by the notification of the Government of India in the Ministry of Finance, vide F. No. 10/3/2016-Cy.I dated 8th November, 2016 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 8th November, 2016, the Central Government declared that the bank notes of existing series of denomination of the value of five hundred rupees and one thousand rupees (hereinafter referred to as the specified bank notes), shall cease to be legal tender on and from the 9th November, 2016;

And whereas, it has become necessary to notify certain exemptions for the convenience of the members of public in carrying out certain emergent and urgent transactions using the specified bank notes;

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 26 of the Reserve Bank of India Act, 1934 (2 of 1934), the Central Government hereby declares that the specified bank notes shall not be ceased to be legal tender, with effect from the 9th November, 2016 until the 11th November, 2016, to the extent of transactions specified below, namely:—

(a) for making payments in Government hospitals for medical treatment and pharmacies in Government hospitals for buying medicines with doctor's prescription;

(b) at railway ticketing counters, ticket counters of Government or Public Sector Undertakings buses and airline ticketing counters at airports for purchase of tickets;

(c) for purchases at consumer cooperative stores operated under authorisation of Central or State Governments;

(d) for purchase at milk booths operating under authorisation of the Central or State Governments;

(e) for purchase of petrol, diesel and gas at the stations operating under the authorisation of Public Sector Oil Marketing Companies;

(f) for payments at crematoria and burial grounds;
(g) at international airports, for arriving and departing passengers, who possess specified bank notes, the value of which does not exceed five thousand rupees to exchange them for notes having legal tender character;

(h) for foreign tourists to exchange foreign currency or specified bank notes, the value of which does not exceed five thousand rupees to exchange them for notes having legal tender character.

2. All establishments referred to in paragraph 1, shall maintain complete account of record of stock and sale of transactions made with the specified bank notes during the period between 9th November, 2016 and 11th November, 2016.

[F. No. 10/03/2016-Cy. I]  
Dr. SAURABH GARG, Jt. Secy.
बिल मंत्रालय
(आर्थिक कार्य विभाग)
अधिसूचना
नई दिल्ली, 9 नवंबर, 2016

का.आ. 3416(अ)—राष्ट्रीय सरकार, भारतीय रिजर्व बैंक अधिनियम, 1934 (1934 का 2) की धारा 26 की उपधारा (2) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, भारत के राजपत्र, आधारारण, भाग II, खंड 3, उपखंड (ii), तारीख 8 नवम्बर, 2016 में प्रकाशित भारत सरकार, बिल मंत्रालय, आर्थिक कार्य विभाग की अधिसूचना संख्याका.आ. 3408(अ), तारीख 8 नवम्बर, 2016 में नियमित आगरण करती है, अर्थात् —

1. उक्त अधिसूचना के पारा 1 के खंड (अ) के पश्चात, निम्नलिखित खंड अंतःस्थापित किए जाएंगे, अर्थात् —

“(अ) भिक्षुकों के नुक़सानों और पहचान के साथ प्रत्युत्तर करने पर सभी फार्मेसियों का संदेह करने के लिए ;
(ब) राज्य और राष्ट्रीय राजमार्गों के सभी टीवी प्लाजा पर संदेह करने के लिए ;
(क) इलेक्ट्रॉनिक मैस सिंचाई के खारिज पर संदेह करने के लिए ;
(ल) रेल द्वारा यात्रा के दौरान, रेल पर खानपान सेवाओं का संदेह करने के लिए ;
(म) अल्मुहरी और मेट्रो रेल सेवाओं द्वारा यात्रा के लिए, टिकट क्रय करने हेतु संदेह करने के लिए ;
(न) भारतीय यात्रा विभाग द्वारा अनुरोधित किसी संस्थान के लिए प्रस्थान टिकट क्रय करने हेतु संदेह करने के लिए।"

[फा. सं. 10/03/2016-सी.वाई. I]

डॉ. सौरभ गग, संयुक्त सचिव
MINISTRY OF FINANCE
(Department of Economic Affairs)
NOTIFICATION
New Delhi, the 9th November, 2016

S.O. 3416(E)—In exercise of the powers conferred by sub-section (2) of section 26 of the Reserve Bank of India Act, 1934 (2 of 1934), the Central Government hereby amends the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3408(E) dated the 8th November, 2016 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) dated the 8th November, 2016, namely:-

1. In the said notification, in paragraph 1, after clause (h), the following clauses shall be inserted, namely:-

“(i) for making payments in all pharmacies on production of doctor’s prescription and proof of identity;
(j) for making payments on all toll plazas on the State and National Highways;
(k) for payments on purchases LPG gas cylinders;
(l) for making payments to catering services on board, during travel by rail;
(m) for making payments for purchasing tickets for travel by suburban and metro rail services;
(n) for making payments for purchase of entry tickets for any monument maintained by the Archeological Survey of India.”.

[F. No. 10/03/2016-Cy.I]
Dr. SAURABH GARG, Jt. Secy.
S.O. 3417(E).—In the notification of the Government of India, Ministry of Finance, Department of Economic Affairs published vide number S.O. 3409(E) dated the 8th November, 2016 in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) dated the 8th November, 2016, for “sub-section (2)” read “sub-section (1)”.

[F. No. 10/03/2016-Cy. I]
Dr. SAURABH GARG, Jt. Secy.
भारत का राजपत्र

The Gazette of India

असाधारण
EXTRAORDINARY
भाग II—खंड 3—उप—खंड (ii)
PART II—Section 3—Sub-section (ii)
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 2671] नई दिल्ली, बुधवार, नवंबर 10, 2016/कार्तिक 19, 1938
No. 2671] NEW DELHI, THURSDAY, NOVEMBER 10, 2016/KARTIKA 19, 1938

बिल्त मंत्रालय
(आर्थिक कार्य विभाग)
अधिसूचना

नई दिल्ली, 10 नवंबर, 2016

का.आ. 3429(अ).—केंद्रीय सरकार, भारतीय रिजर्व बैंक अधिनियम, 1934 (1934 का 2) की धारा 26 की उपधारा (2) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, भारत के राजपत्र, असाधारण, भाग II, खंड 3, उपखंड (ii), तारीख 8 नवंबर, 2016 में प्रकाशित भारत सरकार, बिल्त मंत्रालय, आर्थिक कार्य विभाग की अधिसूचना संख्यांक का.आ. 3408(अ), तारीख 8 नवंबर, 2016 में निर्धारित और संशोधन करती है, अर्थात् :—

1. उक्त अधिसूचना के पैरा 1 के बंद (३) के पश्चात्, निम्नलिखित बंद अंत:स्थापित किए जाएंगे, अर्थात् :—

"(ण) केंद्रीय सरकार या राज्य सरकारों, जिसके अंतर्गत नगरपालिक और शासनीय निकाय भी हैं, को संदेयोग्य कोई कीस, प्रभार, कर या शासित के मद्दे संदाय करने के लिए ;
(त) उपयोगिता प्रभारों, जिसके अंतर्गत जल और विद्युत् भी हैं, का संदाय करने के लिए।"

[फा. सं. 10/03/2016-सी.वाई.1]

डॉ. सीरम गर्ग, संयुक्त सचिव

टिप्पण : मूल अधिसूचना, भारत के राजपत्र, असाधारण, भाग II, खंड 3, उपखंड (ii) में अधिसूचना संख्यांक का.आ. 3408(अ), तारीख 8 नवंबर, 2016 द्वारा प्रकाशित की गई थी और पश्चात्तरी संशोधन अधिसूचना संख्यांक का.आ. 3416(अ), तारीख 9 नवंबर, 2016 द्वारा किया गया।
MINISTRY OF FINANCE  
(Department of Economic Affairs)  

NOTIFICATION  

New Delhi, the 10th November, 2016  

S.O. 3429(E).—In exercise of the powers conferred by sub-section (2) of section 26 of the Reserve Bank of India Act, 1934 (2 of 1934), the Central Government hereby further amends the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3408(E) dated the 8th November, 2016 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) dated the 8th November, 2016:-  

I. In the said notification, in paragraph 1, after clause (n), the following clauses shall be inserted, namely :-  

“(o) for making payments towards any fees, charges, taxes or penalties, payable to the Central or State Governments including Municipal and local bodies;  

(p) for making payments towards utility charges including water and electricity.”.

[F. No. 10/03/2016-Cy.I]  

Dr. SAURABH GARG, Jt. Secy.  

Note : The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide notification under S.O. 3408(E) dated the 8th November, 2016 and subsequently amended vide notification under S.O. 3416(E) dated the 9th November, 2016.
बिलंग्लाय
(आधिकारिक कार्य विभाग)
अधिसूचना
नई दिल्ली, 11 नवम्बर, 2016
काँग्रेस 3445(अ)—केंद्रीय सरकार, भारतीय रिजर्व बैंक अधिनियम, 1934 (1934 का 2) की धारा 26 की उप-धारा (2) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, भारत के राजपत्र, असाधारण, भाग द्व, खंड 3, उपखंड (ii), तारीख 8 नवम्बर, 2016 में प्रकाशित भारत सरकार, बिलंग्लाय, आधिकारिक कार्य विभाग की अधिसूचना संख्यांक काँग्रेस 3408(अ), तारीख 8 नवम्बर, 2016 में निम्नलिखित और संशोधन करती है, अर्थात् :—

1. उक्त अधिसूचना के पैरा 1 और पैरा 2 में, "11 नवम्बर, 2016" अंकों और शब्द के स्थान पर, दोनों स्थानों पर, जहां वे आते हैं, "14 नवम्बर, 2016" अंक और शब्द दें जाएंगे।

2. उक्त अधिसूचना के पैरा 1 में,—

(i) खंड (ग) में, "क्रय के लिए" शब्दों के पश्चात्, "और ग्राहक अपनी पहचान का सबूत उपलब्ध कराएगा" शब्द अंत: स्थापित किए जाएंगे;

(ii) खंड (ज) का लोप किया जाएगा;

(iii) खंड (त) में, "करने के लिए" शब्दों के पश्चात्, जो केवल बकाया या वर्तमान प्रभारों के संदाय के लिए व्यक्तिगत या फर्जी उपभोक्ताओं तक निबंधित होगा और कोई अग्रि संदाय अनुसार नहीं होगा" शब्द अंत: स्थापित किए जाएंगे;

(iv) खंड (त) के पश्चात्, निम्नलिखित खंड अंत: स्थापित किया जाएगा, अर्थात् :—

"(अ) व्यायामय भाषक के मद्देनजर संदाय करने के लिए।"
3. In the said notification, in paragraphs 1 and 2, for the words, figures and letters “the 11th November, 2016” occurring at both places, the words, figures and letters “the 14th November, 2016” shall be substituted.

2. In the said notification, in paragraph 1,—
   (i) in clause (c), after the word “Governments”, the words “and the customers shall provide their identity proof” shall be inserted;
   (ii) clause (j) shall be omitted;
   (iii) in clause (p), after the word “electricity”, the words “which shall be restricted to individuals or households for payment of only arrears or current charges and no advance payments shall be allowed” shall be inserted;
   (iv) after clause (p), the following clause shall be inserted, namely:—
      “(q) for payments towards court fees.”.

3. In the said notification, after paragraph 2, the following paragraph shall be inserted, namely:—
   “3. The Reserve Bank of India shall issue guidelines for exchange of specified bank notes in Nepal and Bhutan.”.

[F. No. 10/03/2016-Cy. I]
Dr. SAURABH GARG, Jt. Secy.

Note: The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide notification under S.O. 3408 (E) dated the 8th November, 2016 and subsequently amended vide notification numbers S.O. 3416 (E) dated the 9th November, 2016 and S.O. 3429 (E) dated the 10th November, 2016.
FAQs on Withdrawal of Legal Tender Character of the existing Bank Notes in the denominations of ₹ 500/- and ₹ 1000/-
(Updated as on November 11, 2016)

1. Why is this scheme introduced?

The incidence of fake Indian currency notes in higher denomination has increased. For ordinary persons, the fake notes look similar to genuine notes, even though no security feature has been copied. The fake notes are used for antinational and illegal activities. High denomination notes have been misused by terrorists and for hoarding black money. India remains a cash based economy hence the circulation of Fake Indian Currency Notes continues to be a menace. In order to contain the rising incidence of fake notes and black money, the scheme to withdraw has been introduced.

2. What is this scheme?

The legal tender character of the existing bank notes in denominations of ₹500 and ₹1000 issued by the Reserve bank of India till November 8, 2016 (hereinafter referred to as Specified Bank Notes) stands withdrawn. In consequence thereof these Bank Notes cannot be used for transacting business and/or store of value for future usage. The Specified Bank Notes can be exchanged for value at any of the 19 offices of the Reserve Bank of India or at any of the bank branches of commercial banks/ Regional Rural Banks/ Co-operative banks or at any Head Post Office or Sub-Post Office.

3. Does the scheme apply to pre 2005 banknotes of ₹500 and ₹1000?

Yes the specified banknotes include pre 2005 banknotes in the denominations of ₹500 and ₹1000.

4. How much value will I get?

You will get value for the entire volume of notes tendered at the bank branches / RBI offices.

5. Can I get all in cash?

No. You will get upto ₹4000 per person in cash exchange irrespective of the size of tender and anything over and above that will be receivable by way of credit to bank account.
6. Why I cannot get the entire amount in cash when I have surrendered everything in cash?

The Scheme does not provide for it, given its objectives.

7. ₹4000 cash is insufficient for my need. What to do?

You can use balances in bank accounts to pay for other requirements by cheque or through electronic means of payments such as Internet banking, mobile wallets, IMPS, credit/debit cards etc.

8. What if I don't have any bank account?

You can always open a bank account by approaching a bank branch with necessary documents required for fulfilling the KYC requirements.

9. What if, if I have only JDY account?

A JDY account holder can avail the exchange facility subject to the caps and other laid down limits in accord with norms and procedures.

10. Where can I go to exchange the notes?

The exchange facility is available at all Issue Offices of RBI and branches of commercial banks/RRBS/Co-operative banks or at any Head Post Office or Sub-Post Office.

11. Need I go to my bank branch only?

For exchange upto 4000 in cash you may go to any bank branch with valid identity proof.

For exchange over 4000, which will be accorded through credit to Bank account only, you may go to the branch where you have an account or to any other branch of the same bank.

In case you want to go to a branch of any other bank where you are not maintaining an account, you will have to furnish valid identity proof and bank account details required for electronic fund transfer to your account.

12. Can I go to any branch of my bank?

Yes you can go to any branch of your bank.

13. Can I go to any branch of any other bank?

Yes, you can go to any branch of any other bank. In that case you have to furnish valid identity proof for exchange in cash; both valid identity proof and bank account details will be required for electronic fund transfer in case the amount to be exchanged exceeds ₹4000.

14. I have no account but my relative / friend has an account, can I get my
notes exchanged into that account?

Yes, you can do that if the account holder relative/friend etc. gives you permission in writing. While exchanging, you should provide to the bank, evidence of permission given by the account holder and your valid identity proof.

15. Should I go to bank personally or can I send the notes through my representative?

Personal visit to the branch is preferable. In case it is not possible for you to visit the branch you may send your representative with an express mandate i.e. a written authorisation. The representative should produce authority letter and his / her valid identity proof while tendering the notes.

16. Can I withdraw from ATM?

It may take a while for the banks to recalibrate their ATMs. Once the ATMs are functional, you can withdraw from ATMs upto a maximum of ₹2,000/- per card per day upto 18th November, 2016. The limit will be raised to ₹4000/- per day per card from 19th November 2016 onwards.

17. Does the limit of ₹ 10,000 withdrawal apply to withdrawals from bank account of one bank from another bank?

These limits are not applicable to cash withdrawal from a bank account by one bank from another bank, Post Office, Money changers operating at International airports and operators of White Label ATMs. The branches maintaining Currency Chests have been advised to accommodate the requests from other branches in their vicinity – linked or otherwise – for supply of cash.

18. Can I withdraw cash against cheque?

Yes, you can withdraw cash against withdrawal slip or cheque subject to ceiling of ₹10,000/- in a day within an overall limit of ₹20,000/- in a week (including withdrawals from ATMs) upto 24th November 2016, after which these limits shall be reviewed.

19. Can I deposit Specified Bank Notes through ATMs, Cash Deposit Machine or cash Recycler?

Yes, Specified Bank Notes can be deposited in Cash Deposits machines / Cash Recyclers.

20. Can I make use of electronic (NEFT/RTGS /IMPS/ Internet Banking / Mobile banking etc.) mode?

You can use NEFT/RTGS/IMPS/Internet Banking/Mobile Banking or any other electronic/ non-cash mode of payment.

21. How much time do I have to exchange the notes?

The scheme closes on 30th December 2016. The Specified banknotes can be exchanged at
branches of commercial banks, Regional Rural Banks, Urban Cooperative banks, State Cooperative Banks and RBI till 30th December 2016.

For those who are unable to exchange their Specified Bank Notes on or before December 30, 2016, an opportunity will be given to them to do so at specified offices of the RBI, along with necessary documentation as may be specified by the Reserve Bank of India.

22. I am right now not in India, what should I do?

If you have Specified banknotes in India, you may authorise in writing enabling another person in India to deposit the notes into your bank account. The person so authorised has to come to the bank branch with the Specified banknotes, the authority letter given by you and a valid identity proof (Valid Identity proof is any of the following: 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)

23. I am an NRI and hold NRO account, can the exchange value be deposited in my account?

Yes, you can deposit the Specified banknotes to your NRO account.

24. I am a foreign tourist, I have these notes. What should I do?

You can purchase foreign exchange equivalent to ₹5000 using these Specified Bank Notes at airport exchange counters within 72 hours after the notification, provided you present proof of purchasing the Specified Bank Notes.

25. I have emergency needs of cash (hospitalisation, travel, life saving medicines) then what I should do?

Till the 11th November, 2016, specified banknotes can be used as under:

(a) for making payments in Government hospitals for medical treatment and pharmacies in Government hospitals for buying medicines with doctor's prescription;

(b) at railway ticketing counters, ticket counters of Government or Public Sector Undertakings buses and airline ticketing counters at airports for purchase of tickets;

(c) for purchases at consumer cooperative stores operated under authorisation of Central or State Governments;

(d) for purchase at milk booths operating under authorisation of the Central or State Governments;

(e) for purchase of petrol, diesel and gas at the stations operating under the authorisation of Public Sector Oil Marketing Companies;

(f) for payments at crematoria and burial grounds;

(g) at international airports, for arriving and departing passengers, who possess specified
bank notes, the value of which does not exceed five thousand rupees to exchange them for notes having legal tender character;

(h) for foreign tourists to exchange foreign currency or specified bank notes, the value of which does not exceed five thousand rupees to exchange them for notes having legal tender character.

(i) for making payments in all pharmacies on production of doctor’s prescription and proof of identity;

(j) for making payments on all toll plazas on the State and National Highways;

(k) for payments on purchases LPG gas cylinders;

(l) for making payments to catering services on board, during travel by rail;

(m) for making payments for purchasing tickets for travel by suburban and metro rail services;

(n) for making payments for purchase of entry tickets for any monument maintained by the Archeological Survey of India.

26. Can I use the Specified banknotes to settle outstanding in my loan account?

Deposits of Specified bank Notes into all types of deposit/loan accounts is allowed subject to CTR/STR reporting.

27. What is proof of identity?

Valid Identity proof is any of the following: 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.

28. Where can I get more information on this scheme?

Further information is available on our website (www.rbi.org.in) and the website of the Government of India (www.finmin.nic.in)

29. If I have a problem, whom should I approach?

You may approach the control room of RBI by email or on Telephone Nos 022 22602201/022 22602944
Withdrawal of the legal tender character of the existing and any older series banknotes in the denominations of ₹ 500 and ₹ 1000

1. Attention of Authorised Persons is invited to the Government of India Notification published in the Gazette of India vide S.O.3408(E) dated November 08, 2016, according to which the legal tender character of the existing and any older series banknotes in the denominations of ₹ 500 and ₹ 1000 stands withdrawn with effect from the midnight of November 8, 2016.

2. However, in terms of Paras 1 (g) and (h) of the Notification, the specified bank notes shall continue to be legal tender until November 11, 2016 interalia to the extent of transactions specified below:
   (i) at international airports, for arriving and departing passengers, who possess specified bank notes, the value of which does not exceed five thousand rupees to exchange them for notes which are legal tender; and
   (ii) for foreign tourists to exchange foreign currency or specified bank notes, the value of which does not exceed five thousand rupees, to exchange them for notes which are legal tender.

3. Authorised Persons may follow the above instructions and bring the contents of this circular to the notice of their constituents.
4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law

Yours faithfully,

(Shekhar Bhatnagar)
Chief General Manager-In-Charge
Any mismatch between cash deposited and declared income would attract 90% tax & penalty: FinMin

November 10, 2016

Any mismatch between cash deposited and declared income would attract 90% tax & penalty: FinMin

The Govt. has decided to discontinue the legal tender character of high denomination bank notes of Rs 500 and Rs 1000. In other words, such notes will not be a legal tenders from midnight of November 8, 2016. This decision is being taken to curb financing of terrorism through the proceeds of Fake Indian Currency Notes and for eliminating Black Money.

The restriction has been placed on withdrawal and exchange of old currency notes but there is no limit on deposit of cash into bank account. However, people should refrain from depositing cash into their bank account if they are unable to explain source of such deposit. If the income is not explained they will have to pay penalty.

The income-tax department will check for mismatch of cash deposited by people with the income disclosed by them in their return of income. Any mismatch between deposited sum and declared income would attract 30% tax and 200% of tax liability as penalty, said Revenue Secretary, HasmukhAdhia.

"We would be getting reports of all cash deposited during 10th November to 30th December, 2016 above threshold of Rs 2.5 lakhs in each account", Revenue Secretary, HasmukhAdhia Tweeted.

He further said that businessmen, housewives and workers need not to worry about small deposit of old currency up to Rs 1.5 lacs or Rs 2 lacs. Since it would be below the taxable limit. There will be no harassment by Income Tax department for such small deposits made.

This ban will impact the black money hoarders as now their existing bank notes will be a worthless pieces of paper.
CBDT to crack the whip on persons purchasing jewellery and making cash deposits with black money

November 11, 2016

MISCELLANEOUS - REPLIES GIVEN BY REVENUE SECRETARY ON QUESTIONS RELATING TO ACTION BY INCOME TAX DEPARTMENT IN RESPECT OF OLD CURRENCY DEPOSITED IN BANKS

PRESS RELEASE, DATED 10-11-2016

Q.1: A lot of small businessmen, housewives, artisans, workers may have some cash lying as their savings at home, will the income tax department ask questions if the same is deposited in banks?

A.1: Such group of people as mentioned in the question need not worry about such small amount of deposits up to Rs.1.5 or 2 lacs, since it would be below the taxable income. There will be no harassment by Income Tax Department for such small deposits made.

Q.2: Will the Income Tax Department be getting reports of cash deposits made during this period? If so, will the current threshold of reporting requirement of reporting cash deposits of more than Rs.10 lacs will only continue?

A.2: We would be getting reports of all cash deposited during the period of 10th November to 30th December, 2016 above a threshold of Rs. 2.5 lacs in every account. The department would do matching of this with income returns filled by the depositors. And suitable action may follow.

Q.3: Suppose the department finds that huge amount of cash above Rs.10 lacs is deposited in a bank account, which is not matching with the income declared, what would be the tax and penalty to be paid on the same?

A.3: This would be treated as the case of tax evasion and the tax amount plus a penalty of 200% of the tax payable would be levied as per the section 270(A) of the income tax Act.

Q.4: It is believed that a lot of people are buying jewelry now, how does department plan to tackle this?

A.4: The person who buys jewelry has to give his PAN number. We are issuing instructions to the field authorities to check with all the jewelers to ensure that this requirement is not compromised. Action will be taken against those jewelers who fail to take PAN numbers from such buyers. When the cash deposits of the jewelers would be scrutinized against the sales made, whether they have taken the PAN number of the buyer or not will also be checked.