

Detection & handling of Counterfeit notes

As per RBI Master Circular dated July 20, 2016, Banks have been instructed to detect and impound counterfeit notes. Instructions issued in the circular are as under:

1. Detection of counterfeit notes:

- a. Bank notes tendered over the counter / received directly at the back office / currency chest through bulk tenders should be examined for authenticity through machines
- b. No credit to customer's account is to be given for counterfeit notes, if any, detected in the tender received over the counter or at the back-office / currency chest
- c. the counterfeit notes should not be returned to the tenderer or destroyed by the bank branches / treasuries

2. Impounding of counterfeit notes:

Notes determined as counterfeit shall be stamped as "COUNTERFEIT NOTE" and impounded in the format prescribed by RBI. Each impounded note shall be recorded under authentication, in a separate register

3. Issue of Receipt to Tenderer:

- a. When a bank note tendered at the counter of a bank branch/back office and currency chest or treasury is found to be counterfeit, an acknowledgement receipt must be issued to the tenderer
- b. Receipt is to be issued even in cases where the tenderer is unwilling to countersign it

Remarks: Last updated in February, 2018