

F. No. 6/23/2012-FI
Government of India
Ministry of Finance
Department of Financial Services

Jeevandeep Building, Sansad Marg
New Delhi, dated the 24th July, 2012

To

All SLBC Convener Banks

Subject: (i) Urban Financial Inclusion - Launch of campaign to ensure at least one bank Account for each family

(ii) Capturing of Biometrics while opening accounts - regarding

Sir,

I am directed to refer to this Department's letter no. F.No.8/11/2011-FI dated 15th May, 2012 wherein banks were advised to launch a campaign to ensure at least one bank account for each family in the service area of a branch having rural villages attached to it.

2. Government of India has been emphasising the need for transferring all benefits including MGNREGA wages and various cash subsidies to beneficiaries by direct credit to their bank accounts. These beneficiaries are not only inhabitants of rural villages but also comprises of urban poor and slum dwellers residing in the Urban/ Metro centres.

3. In order to provide banking services to entire population residing in Urban and Metro Centers – (Urban Financial Inclusion) , so as to financially include the urban poor, slum dwellers and the inhabitants of urban / metro villages and facilitate electronic benefit transfer in respect of benefits/ subsidies under various Government schemes directly into the account of the beneficiaries residing at these centres, it has been decided that the said campaign to ensure one bank account per family should also be launched in such Urban areas for the purpose of Urban Financial Inclusion .

4. All urban areas have a Municipal Corporation or a Municipality or a Municipal Council and the entire area is divided into “Wards”. Districts in Metros may not have Lead District Manager (LDM). Generally, the service area approach is not adopted for urban areas. In districts, where LDM has already been provided, necessary instructions may be issued to the LDMs to allocate a Ward or group of wards to a particular branch (for the purpose of opening of accounts as per instructions issued vide letter No. F.No.8/11/2011-FI dated 15th May, 2012) as follows:

(i) In Wards/ circle where a branch of bank exists, the responsibility should be entrusted to that branch;

(ii) In Wards/ Circle, where branch of more than one bank exists, the responsibility may be assigned to one of the branches operating in the ward.

(iii) In Wards/ circle where no branch of a bank exists, a neighbouring bank branch may be assigned the responsibility;

In case of non – lead Districts without LDMs, the above exercise of allocating wards to bank branches be done by a duly authorised senior officer of the SLBC convener bank. The allocation of branches for opening of accounts as above by LDM/ duly authorised officer be subsequently got ratified by SLBC.

5. It is understood that under the campaign, some of the banks while opening accounts, are not capturing the biometric details of the customers and the campaign is restricted to FI villages. It is clarified that:

(a) The campaign is to be launched by the bank branch to open an account for the family in **all villages** attached to the service area of the branch and not just in FI villages. The subject matter of letter dated 15.05.2012 under reference may accordingly be read as “Launch of campaign to ensure at least one bank Account for each family in rural villages– regarding”.

(b) Since accounts opened under the campaign would facilitate EBT including transfer of all benefits and various cash subsidies to beneficiaries by direct credit to their bank accounts and the beneficiary should be able to withdraw the benefit from the BC channel, banks should while opening new bank accounts also ensure to **capture biometric details** of the customer (as done during the 'Swabhimaan' campaign) as per the standards notified in the recent RFP for engaging BCs.

6. All SLBC convener banks are requested to bring the contents of this letter to all member banks to ensure compliance.

Yours sincerely,

(J.K. Mehan)

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1. Chief Secretary of all States/ UTs
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4. CEOs of Pvt. Sector Banks
5. CEOs of Cooperative Banks
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