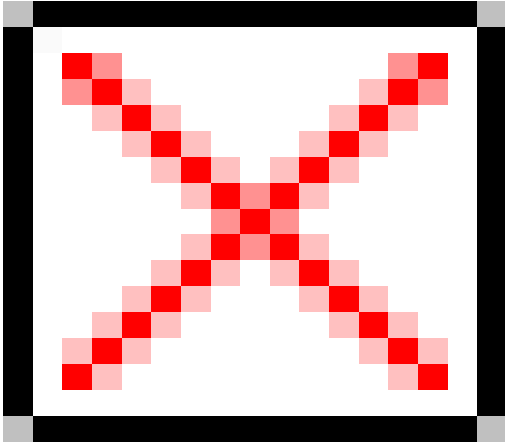


## RBI Restrictions on Withdrawal from Banks



TIOL-DDT 2992

16 12 2016

Friday

**THE** Reserve Bank of India has issued new instructions yesterday on withdrawals from Banks and Financial Institutions.

1. In respect of 'Small Accounts', the prescribed limits/conditions shall not be breached and compliance therewith shall be strictly monitored. If any account is rendered ineligible for being classified as a small account due to credits/balance in the account exceeding the permissible limits, withdrawals may be allowed within the limit prescribed for small accounts where the limits thereof have not been breached.

**'Small Account' is defined as a savings account in which:**

- a. the aggregate of all credits in a financial year does not exceed rupees one lakh;**
- b. the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand; and**
- c. the balance at any point of time does not exceed rupees fifty thousand.**

2. In respect of KYC compliant accounts where the required CDD procedure has been complied with, banks shall ensure compliance regarding quoting of PAN/obtaining of Form 60 for all transactions in terms of I.T.Rule 114 B which includes opening of accounts with banks, NBFCs, etc. No debit transaction, transfer or otherwise shall be allowed in accounts which do not comply with the requirements. To begin with, this rule shall be strictly applied in accounts where both the thresholds listed below are reached:

- a. balance of rupees five lakh or more; and
- b. the total deposits (including credits by electronic or other means) made after November 9, 2016, exceed rupees two lakh.

**CDD** means "Customer Due Diligence (CDD)" and that means identifying and verifying the customer and the beneficial owner using 'Officially Valid Documents' as a 'proof of identity' and a 'proof of address'.

[RBI/2016-17/183 DBR.AML.BC.48/14.01.01/2016-17., Dated: December 15, 2016](#)

### ***Seized Notes Put Back into Circulation***

**THE** Secretary, Economic Affairs, Shaktikanta Das tweeted:

- + It's the first time new currency notes have indigenous design, including security features.
- + More Rs. 2000 notes printed initially to replace more amount of old currency in shorter time.
- + Focus now on printing more Rs. 500 notes. Earlier too, Rs. 500 notes were being printed **parallelly**.
- + Distribution of notes streamlined to avoid criss-cross movements, airlifting is being done where necessary.
- + Emphasis on making cash available to co-op banks for crop loan disbursement, Rabi sowing almost at par with last year.
- + Emphasis on providing cash to rural areas from where reports of inadequate availability of cash are coming in.
- + Action against illegal accumulation of new notes is based on specific inputs by revenue authorities and by FIU.
- + The various wings of Govt, RBI, Banks are working to ensure that the situation eases out.
- + **Notes seized from illegal accumulations are being put back into the circulation as soon as possible.**

### ***Collection Boys (CBs) in Customs***

**WHAT**

do the Collection Boys, sweetly called as CBs do in the Customs? They are not officials of the Customs but touts hired by the officials to strike deals with clients.

This not really shocking remarks were made by a Member in a meeting of the Permanent Trade Facilitation Committee (PTFC) of the JN Customs last month. The Member said,

***There is a general feeling in Trade circles that to get any work done in the Customs, bribes have to be paid in quite a number of the cases. This is more so at the operational level of Appraising, Examination, etc. At most senior levels, there is good cooperation, probity and integrity. Sad to say, this is absent at the operational level in quite a number of cases. So much so, it has been alleged that certain officers have hired TOUTS who are known as "Collection Boys" (CBs). It has been alleged that these CBs have to be contacted and deals struck in case the clearances have to be facilitated, otherwise artificial delays are created. It is further alleged that these CBs have very powerful Godfathers who give them protection and cover. This aspect needs to be looked into and remedial measures taken. This is more so in view of the strong stand taken by the Prime Minister to root out corruption.***

The Department replied,

- + All Senior Officers including all the Commissioners are available all days of the week and any person can approach them anytime in case of any difficulty.
- + They have a system in place for monitoring the behavior and activities of the Officer.
- + Performance of the Officers is monitored continuously and the same is appropriately reflected.

+ in case anything adverse is being noticed against any officer, necessary action is being initiated to discipline the **concerned** officer.

(Point closed)

### ***Truant Customs Officers - Clearances Held up***

**IN** the same meeting, another point was raised on delayed clearances. It was stated:

***We fully share the sentiments of the difficulties faced by the Customs Officers, having to travel from their place of residence to the various CFS's. However, at most of the CFS's, the import clearances do not commence till 12.30 p.m. Hence, the entire morning is wasted, resulting in huge congestion of trucks at the CFS's Gates from 3.30 p.m. onwards after the 1st Out of Charge is issued.***

***It is requested, that the 1st round for inspection and issuance of Out of Charge must be no later than 11.30 a.m., so that delivery could commence from 12.00 p.m. onwards.***

The Department replied:

1. Functioning of Import Docks is in accordance with the procedures and timings prescribed in Standing Order No.52/2007 dated 14.12.2007. (As per this Standing Order, the first batch of registration is to start at 10.30AM)
2. However, all Officers have again been instructed to adhere to the timings.
3. It is seen that minimal no. of documents are being presented and cleared during the early hours in spite of the presence of Docks Officers.
4. Trade was requested to plan their programme schedule in such a manner that the work is divided evenly and the morning hours are also optimally utilized, without wasting the manpower and infrastructure available.
5. All the staff working in Docks have been instructed that all the Bill of Entry presented in the morning, the registration of the Bills of Entry, examination of the Imported goods and out of charge will be given by 1:30 PM.

### ***CE - Export Warehousing Station -Ahmedabad District***

#### **WAREHOUSINGÂ**

provisions have been extended to all excisable goods specified in the First Schedule to the Central Excise Tariff Act, 1985 intended for storage in a warehouse registered at such places as may be specified by the Board and export therefrom. Board Circular No. 581/18/2001-CX dated 29thÂ June, 2001 specifies conditions, procedures, class of exporters and places under sub-rule (2) of rule 20 of Central Excise Rules, 2002 for warehousing of excisable goods for the purpose of export.Â In paragraph 2(2) of the Circular, the Board has specified places where warehouses may be established.

CBEC has now specified the district of Ahmedabad in the state of Gujarat also as a place where warehouses may be established to store excisable goods for export.

The warehouses may be established and registered in

*Bangalore, Kolkata, Chennai, Delhi, Hyderabad, Jaipur, Kanpur, Ludhiana, Mumbai, the district of Ahmedabad in the state of Gujarat, the districts of Pune and Raigad in the state of Maharashtra, the district of East Midnapore in the state of West Bengal, the district of Kancheepuram in the state of Tamil Nadu, the district of Indore in the state of Madhya Pradesh, the taluka Ankleshwar in the district of Bharuch in the state of Gujarat, Navi Mumbai in the district of Thane in the state of Maharashtra, Sholinghur in the district of Vellore in the state of Tamil Nadu, Bidadi in the Bangalore Rural District Karnataka, the district of Thiruvallur in the state of Tamil Nadu, the district of Gautam Budh Nagar in the state of Uttar Pradesh, the district of Nagpur in the state of Maharashtra, Tehsil of Tijara of Alwar district in the state of Rajasthan and Bhuj Taluka of Kutch District in the state of Gujarat.*

[CBEC Circular No. 1051/39/2016-CX., Dated: December 15, 2016](#)

### *FTP - New Pre-Shipment Inspection Agencies Approved*

#### **DGFT**

has included Seven Pre-Shipment inspection Agencies in Appendix 2G of Appendices and Aayat Niryat Forms of Foreign Trade Policy, 2015-20 in terms of Para 2.55 (d) of HBP 2015-20. The agencies are recognized for Pre-Shipment Inspection Certificates for a period of 3 years.

[DGFT Public Notice No. 47/2015-2020, Dated: December 15, 2016](#)

### *Managing Demonetisation - A Short Term Challenge - Arvind Subramanian*

**CHIEF** Economic Advisor Dr. Arvind Subramanian said yesterday:

One of the challenges for the Indian economy in the short term is to manage the demonetisation fall-out 'How do we manage demonetisation in the next few weeks and months'.

Indian economy is well- cushioned to cope up with these events.

Lower and simple taxes are always preferable but there was a strong case for inclusion of real estate and electricity into the GST value chain.

Indian economy has to grow by 8%, then exports must expand by 15%.

But key factor to watch, in the unfolding global scenario, would be whether the developed countries would be able to 'handle' more exports especially that of services from developing countries like India.

Passage of GST Constitutional Amendment Bill is the "*mother of all achievements*".

### *New Exchange Rates from Today*

#### **CBEC**

has notified new exchange rates for Imported Goods and for Export Goods with effect from 16th December, 2016. The USD is 68.65 for imports and 67.00 Rupees for exports.

[Notification No. 147/2016-Cus \(NT\)., Dated: December 15, 2016](#)

### *Decrease in Tariff Value of Gold*

#### **GOVERNMENT**

Â has decreased the tariff value of gold and increased that of silver and brass scrap. Oils find changes both ways. No change in Poppy seeds and a small decrease in Areca Nuts.

Table 1

| S. No. | Chapter/ heading/ sub-heading/tariff item | Description of goods     | Tariff value USD (Per Metric Tonne) as on 30.11.2016 | Tariff value USD (Per Metric Tonne) from 15.12.2016 |
|--------|---|--------------------------|--|---|
| (1)    | (2)                                       | (3)                      | (5)  | (6)   |
| 1      | 1511 10 00                                | Crude Palm Oil           | 764  | 780   |
| 2      | 1511 90 10                                | RBD Palm Oil             | 797  | 787   |
| 3      | 1511 90 90                                | Others - Palm Oil        | 781  | 784   |
| 4      | 1511 10 00                                | Crude Palmolein          | 809  | 798   |
| 5      | 1511 90 20                                | RBD Palmolein            | 812  | 801   |
| 6      | 1511 90 90                                | Others - Palmolein       | 811  | 800   |
| 7      | 1507 10 00                                | Crude Soyabean Oil       | 870  | 912   |
| 8      | 7404 00 22                                | Brass Scrap (all grades) | 3176   | 3217  |
| 9      | 1207 91 00                                | Poppy seeds              | 2533   | 2533  |

**Table 2**

| S. No. | Chapter/ heading/ sub-heading/tariff item | Description of goods  | Tariff value USD from 30.11.2016 | Tariff value USD from 15.12.2016 |
|--------|---|---|----------------------------------|----------------------------------|
| 1      | 71 or 98                                  | Gold, in any form in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012- Customs dated 17.03.2012 is availed.   | 386 per 10 grams                 | 378 per 10 grams                 |
| 2      | 71 or 98                                  | Silver, in any form in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012- Customs dated 17.03.2012 is availed. | 542 per kilogram                 | 561 per kilogram                 |

**Table 3**

| S. No. | Chapter/ heading/ sub-heading/tariff item | Description of goods | Tariff value USD (Per Metric Tons) from 30.11.2016 | Tariff value USD (Per Metric Tons) from 15.12.2016 |
|--------|---|----------------------|--|--|
| 1      | 080280                                    | Arecanuts            | 2621   | 2613   |

**Notification No. 148/2016-CUSTOMS (N.T.), Dated: December 15, 2016**

Until Monday with more DDT

Have a nice weekend.

Mail your comments to [vijaywrite@tiol.in](mailto:vijaywrite@tiol.in)