



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/ 2013-14/476

DBOD.No.Dir.BC.90/13.03.00/2013-14

January 31, 2014

All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir/ Madam

Deregulation of Interest Rates on Non-Resident (External) Rupee (NRE) Deposits

Please refer to our [circular DBOD.Dir.BC.71/13.03.00/ 2013-14 dated November 29, 2013](#) advising banks that the freedom to offer interest rates on incremental NRE deposits with maturity of 3 years and above without any ceiling in order to pass on the benefit of exemption provided on such deposits from CRR/ SLR requirements will remain unchanged up to January 31, 2014, subject to review.

2. On a review and in order to give banks some time, it has been decided to extend the above dispensation till February 28, 2014. With effect from March 1, 2014, the interest rate ceiling will revert to the position prior to August 14, 2013, i.e. interest rates offered by banks on NRE deposits cannot be higher than those offered by them on comparable domestic rupee deposits.

3. All other instructions in this regard, as amended from time to time, will remain unchanged.

4. An amending directive DBOD.Dir.BC. 89/13.03.00/2013-14 dated January 31, 2014 is enclosed.

Yours faithfully,

(Prakash Chandra Sahoo)
Chief General Manager
Encl: As above

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

Department of Banking Operations and Development, Central Office, 13th floor, NCOB, Shahid Bhagat Singh Marg, Mumbai - 400001

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हिंदी आसान है, इसका प्रयोग बढ़ाइए



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DBOD.Dir.BC. 89 /13.03.00/2013-14

January 31, 2014

Deregulation of Interest Rates on Non-Resident (External) Rupee (NRE) Deposits

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, and in modification of the directive [DBOD.Dir.BC.70/13.03.00/2013-14 dated November 29, 2013](#) on Deregulation of Interest Rates on Non-Resident (External) Rupee (NRE) Deposits, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that instructions issued vide directive DBOD.Dir.BC.39/13.03.00/ 2013-14 dated August 14, 2013 will continue till February 28, 2014. With effect from March 1, 2014, the interest rate ceiling will revert to the position prior to August 14, 2013, i.e. interest rates offered by banks on NRE deposits cannot be higher than those offered by them on comparable domestic rupee deposits.

(B. Mahapatra)
Executive Director

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