

### **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*