

## RBI has received proposal from the IBA to limit free transactions through ATMs for both their own and other banks customers

By : INVC Team Published On : 28 Nov, 2014 05:25 PM IST



INVC NEWS New Delhi, The Reserve Bank of India (RBI) has received proposal from the Indian Banks Association (IBA) to limit free transactions through Automated Teller Machines (ATMs) for both their own and other banks customers. The RBI has informed that IBA had requested to withdraw the existing policy of five free transactions at another bank's ATMs at the Centres which have more than ten lakh population as per 2011 census. Based on IBA's request, RBI had issued revised guidelines dated 14th August, 2014 on rationalization of ATM transactions. As per the revised guidelines, the number of mandated free transactions for savings bank account holders at other bank ATMs has been reduced from five to three per month w.e.f. November 01, 2014. This will apply for transactions done at ATMs located in six metro centres only, namely Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad. Banks are also free to offer free transactions above the mandated limit of free transactions per month. This reduction will, however, not apply to customers having no-frills/small/Basic Savings Bank Deposit Account (BSBDA) type of accounts as well as for transactions done by savings bank account holders at ATMs situation outside these six metro centres. The IBA had requested to increase the interchange fee (which banks pay to each other when their customers use third-party ATMs). However, as ATM interchange fee is decided by ATM network operations in consultation with their member banks, RBI has not issued any instructions in this regard. This information was given by the Minister of State for Finance, Shri Jayant Sinha

URL :

<https://www.internationalnewsandviews.com/rbi-has-received-proposal-from-the-iba-to-limit-free-transactions-through-atms-for-both-their-own-and-other-banks-customers/>