

Annexure 18: Detection and Handling of Counterfeit Currency Notes

Banks have been instructed to detect and impound counterfeit notes. Instructions issued in the Reserve Bank of India circular are given hereunder:

1. Detection of counterfeit notes:

- a. Bank notes tendered over the counter or received directly at the back office or 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 or currency chest.
- c. The counterfeit notes should not be returned to the tenderer or destroyed by the bank branches or 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 register maintained for this specific purpose.

3. Issue of receipt to tenderer:

- a. When a bank note tendered at the counter of a bank branch or 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 the receipt.
