

Crystallisation of Inoperative Foreign Currency Deposits

As per the RBI guidelines, banks shall crystallise, that is, convert the credit balances in any inoperative foreign currency denominated deposit into INR, in the manner indicated below:

- (i) Foreign Currency (FCY) Fixed Deposits (FD) – The Bank will convert the credit balances lying in the foreign currency denominated deposit at the end of the third year into INR at the prevailing exchange rate. This is applicable for FCY FDs (such as FCNR-B, RFC) having a fixed maturity date that have remained inoperative for a period of greater than three years from the date of maturity of the deposit. The depositor shall be entitled to claim either the INR proceeds and interest if any or the foreign currency equivalent (calculated at the rate prevalent as on the date of payment) of the INR proceeds of the original deposit and interest, if any, on such INR deposits.
- (ii) Foreign Currency (FCY) demand deposit accounts – The Bank will convert the credit balance held in foreign currency to INR at the prevailing exchange rate after giving a 3 months’ notice to the customer’s at their address registered in the Bank’s records. This is applicable for FCY DD accounts (such as RFC savings/current, Exchange Earner Foreign Currency accounts) that have remained inoperative for a period of greater than 3 years. The depositor shall be entitled to claim either the INR proceeds and interest if any or the foreign currency equivalent (calculated at the rate prevalent as on the date of payment) of the INR proceeds of the original deposit and interest, if any, on such INR Deposits.

The actual foreign currency equivalent of the principal and interest proceeds as claimed on such crystallised deposits as on date of payment can be either more or less than what would have been payable had the deposits continued to be held in foreign currency till date of maturity and payment. This is mainly due to the fluctuations in exchange rates as applicable on the relevant dates.

Please note that for all inoperative or unclaimed accounts for a period >10 years, The Reserve Bank of India (RBI) has advised banks to transfer the converted INR balance to the Deposit Education and Awareness Fund (DEAF) under a Reserve Bank Scheme 2014.