



Refugees and Access to Banking in India - An Information Booklet

Why is it important for me to have a bank account in India today?

- Banks help you manage your money in your day-to-day life in a trust-worthy and safe way. For example, banks help you to pay for education, start a business, receive salary and money from abroad, meet medical expenses and face other unexpected emergencies.
- The Indian government is actively promoting cashless transactions and more and more people in India are using banks today. Therefore, the lack of a bank account will make it very difficult to receive, spend or save money.



Box 1: Examples of policies that impact refugees

In November 2016, the Government introduced its demonetisation policy which sought to remove the existing 500 and 1000-rupee notes from circulation. Noreen, an Afghan refugee, who made a living by selling Afghan handicrafts, was severely hit, like most refugees in India at that time. Since she did not have a bank account, she could not get the new currency notes, and was left with no savings. As a single woman in India who was also severely unwell at that time, she was left with no money to buy essential provisions or avail medical services during and immediately after the move by the Government. (*Name changed to protect the identity of the person)*

What will I gain from having a bank account?

- Bank accounts help you to save money and deal with emergencies (such as medical problems);
- You do not have to depend on agents and money lenders, who charge heavy fees/interests.
- Since most employers now pay salaries only through bank accounts, having one lets you apply for more jobs.
- Bank accounts are also useful in receiving aids, scholarships etc. from the government, UNHCR and other agencies.

- In some situations, having a bank account is useful for individuals who receive money from family and friends in other countries.
- Having a bank account makes it easy to manage money as you have a clear record of earnings and expenses.
- Documents issued by a bank (like a passbook) can be used as a proof of identity and address.



Box 2: Experiences with bank accounts

A refugee from South Sudan, Omar Haseeb working for the embassy of UK was finding it very difficult to manage his money –especially to receive his salary from the Embassy. Opening a bank account helped Omar manage his money better and also secure his job at the Embassy permanently. He feels that many translators he knows would get better jobs if they had bank accounts. (*Name changed to protect the identity of the person)*

How can I open a bank account in India?

The following documents are required to open a new account:

- ID and address proof, such as driving licence or Aadhaar card;
- One recent photograph; and

The Permanent Account Number (“PAN”), a unique identity card issued by Indian income tax authorities to each taxpayer; or Form no. 60 (available at the bank), for those who do not have a PAN card.

A few banks have opened accounts for refugees with documents like Aadhaar card and PAN card. Though not mentioned in the rules, the Long Term Visa issued by the FRRO may also be helpful in opening bank accounts. In some cases, where the specific bank branch is aware of the refugee population, the UNHCR refugee card, and some other address proof like rent agreement, may be enough to open a bank account.

What if I do not have any of the above documents?

In such a case, the bank will usually accept a utility bill (electricity/water etc.), and/or a notarized lease agreement; but one of the listed address proofs (like Aadhaar, driving license) has to be submitted as soon as possible.

In the case of foreigners who also do not have a local address proof, identity documents issued by their own country (like a passport) and a letter issued by their embassy in India may be accepted by the banks.

Can refugees who have none of these documents still access banks?

Yes. As per law, “small bank accounts” can be opened without any identity proof. For this, only a photograph is required. However, not all banks may be able to open these accounts. You may have to approach a few banks, preferably nationalised (government) banks, to find one will do so.

How are small accounts different from regular bank accounts?

A small bank account can be opened for twelve months only. If the account holder wishes to retain the account beyond twelve months, he/she should show proof that they have applied for the identity and address proof required to open a regular bank account. With this kind of account:

- total deposit cannot be more than INR 1,00,000 in a year
- total withdrawals cannot be more than INR 10,000 in a month.
- balance in the account should not be more than INR 50,000 at any point.
- receiving money from other countries into the account is not allowed.

Box 3: Tips on how to interact with banks

- *As most people are unfamiliar with refugees, let the bank officers know of your refugee status, and explain what the UNHCR card is.*
- *Take all the necessary identity and address proof when you go to open an account such as rent agreement, police verification documents etc. Many banks use documents outside the list mentioned above, while some ask for additional documents. Therefore, request the bank if you could use one or more documents that you have to open an account.*
- *If you are able to open an account, make sure to check with the bank on the following: rules/restrictions on receiving money from abroad; restrictions on balance, deposits and withdrawals; requirement of an initial deposit; and other features of the account (such as access to cheque books, debit cards, net-banking etc).*
- *If a bank is unwilling to open an account for you, try to go to other banks/branches, preferably nationalised banks close to refugee neighbourhoods, as different banks have different rules/policies.*
- *Please feel free to contact us in case you have problems in opening and using bank accounts.*

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Contact details: Migration & Asylum Project B-41,
First Floor, Soami Nagar, New Delhi –
110017 [Hours: Monday to Friday / 9.30am to 5.30pm]; Phones: 9711128603 / 011-
41325408; Email: office@aratrust.com