



Indian Banks' Association

No.RB/CIR/IDS/1507
November 28, 2016

The Chief Executives of Member Banks

Dear Sir/Madam,

Accepting payment under IDS 2016

Kindly refer to the appended self-explanatory email from Reserve Bank of India and Central Board of Direct Taxes on accepting payment under IDS 2016.

In this connection, we would like to invite your attention to the FAQ (<https://www.rbi.org.in/Scripts/FAQView.aspx?Id=119>) on "Withdrawal of Legal Tender Character of the existing Bank Notes in the denominations of ₹ 500/- and ₹ 1000/-"

Question No. 22 (I) in the above FAQ clearly sets out that banks can accept old Rs. 500 denomination notes for payment of taxes and penalties. ***Thus, there should not be any doubt that these notes can be accepted for payment of tax, surcharge and penalties under the IDS, 2016, upto December 15, 2016.***

Banks must adhere to the above instructions strictly and banks should ensure that the branches are aware of the FAQs.

Yours faithfully,

K Unnikrishnan
Chief Executive (Offg)