

BHARAT SCHOOL OF BANKING

DEAF Scheme

There are several **accounts** in **banks** which are **not operated** for **10 years** (or more), or there are **deposits** which are **unclaimed** for **10 years** (or more). There is little possibility that the **deposits** will be **reclaimed** by the owner (as it is unclaimed for that long period).

RBI decided to acquire those **unclaimed** amounts and create a **fund**, which could be used for the good of the **public**. It amended the **Banking Regulation Act, 1949**, by adding **Section 26A**, which **empowers** RBI to establish the **Depositor Education and Awareness Fund (DEAF)**.

All the **unclaimed** amounts in the **banks** need to be **transferred** within **3 months** after becoming **10 years default**, to the **DEAF** fund. Also note that the transfer is allowed only in **electronic mode**.

The goal of this **DEAF** fund is to promote **depositor interest**, like educating them, or creating awareness among them, or some other purpose.

Situational Question

If someone comes to your bank and claims for his/her deposit (which has already been transferred to DEAF fund, because it defaulted for 10 years), what will you do?

You will verify his/her **claim**, and after successful verification, will **honor** the **claim**.

Note that the **bank** would be **liable** to **pay** the amount to the **depositor/claimant** and **claim refund** of such **amount** from the **DEAF fund** (even after **10 years**).