

## **RBI Guidelines: Opening of & operation in deposit accounts of minors**

The Reserve Bank of India (RBI) vide its **Notification RBI/2025-26/26 DOR.MCS.REC.17/01.01.003/2025-26 dated April 21, 2025**, has rationalized and harmonized its guidelines regarding the opening and operation of deposit accounts for minors.

Effective July 1, 2025, minors of any age can open savings and term deposit accounts through their natural or legal guardian, including their mother. Minors above 10 years can independently open and operate such accounts within limits set by individual banks based on their risk management policies.

Upon reaching majority, account holders must provide fresh operating instructions and specimen signatures, and balances in guardian-operated accounts will need confirmation. Banks have the discretion to offer additional facilities like internet banking and debit cards to minor account holders.

Importantly, minor accounts, whether independently operated or through a guardian, cannot be overdrawn and must maintain a credit balance. Banks are required to conduct customer due diligence as per KYC guidelines for all minor accounts.

These revised instructions are issued under the Banking Regulation Act, 1949, and supersede previously issued circulars listed in the annex. Banks are advised to update their policies to align with these guidelines by the effective date.

**Link - <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12835&Mode=0>**