

Deposit machines to isolate fake notes

TNN | Feb 3, 2015, 03:01 IST



MUMBAI: In a bid to tighten monitoring of counterfeit notes, the Reserve Bank of India has said that cash deposit machines cannot return fake notes but have to isolate them and create an audit trail to the depositor.

The directive from RBI is part of new norms on cash deposit machines. Cash deposit

machines (CDMs) are similar to automated teller machines except that they accept currency notes instead of depositing them. Unlike ATMs, which accept envelope deposits, CDMs can count the note, verify their denomination, quality and

authenticity and do everything that a bank teller can. Although new to India, banks are expected to deploy 10,000 such machines in 2015 with SBI accounting for a third of the total.

In its guidelines for deployment of CDMs, RBI said that banks are free to deploy them wherever they want provided there are enough security arrangements and that these machines do not return any note which is suspect/counterfeit to the customer. "An audit trail of transactions should be available to enable reporting detection of counterfeit notes," RBI said.

Although laws require that any counterfeit note that is detected must be reported to the authorities, there are instances of banks returning the note after stamping them to the customer. There are also cases where the customer attempts to put the note back into circulation to avoid a loss. The reluctance to report has made it difficult to ascertain the cases of counterfeiting in the country.

Source: <https://timesofindia.indiatimes.com/city/mumbai/Deposit-machines-to-isolate-fake-notes/articleshow/46102418.cms>