

Role of Business Correspondents (BCs)-J&K Bank

The Reserve Bank of India has taken several initiatives over the years for increasing banking outreach and ensuring greater financial inclusion. A significant step in this direction was the issuance of RBI guidelines in January 2006 for engagement of Business Correspondents (BCs) by banks for providing banking and financial services. Since then, the regulatory framework for the BC model has been progressively honed to ensure that consumer protection is not compromised while facilitating enhanced outreach of banking services.

Business Correspondents are retail agents engaged by banks for providing banking services at locations other than a bank branch/ATM. Basically, BCs enable a bank to expand its outreach and offer limited range of banking services at low cost. BCs are instrumental in promoting financial inclusion.

J&K bank has engaged 1002 Business Correspondents in UT of J&K and UT of Ladakh who provide specified banking and financial services to customers .For the said work bank is paying commission to them which is linked to performance. BCs engaged by J&K Bank perform a variety of activities which mainly include the following:-

- Creating awareness about savings and other deposit products/ loan products / and other banking facilities available under BC arrangement and educate and advise on managing money and debt counselling.
- Filling- up the information in prescribed account opening forms of eligible customers under categories of PMJDY / Saving Bank/ current deposit/ recurring deposit/ fixed deposit accounts and Smart Cards.
- Verifying of primary information/ data in accordance with guidelines of the Bank including compliance of applicable KYC norms. However, compliance of applicable KYC norms and authentication of the information filled up in account opening forms as well as of the supporting documents, as required for each account, is ensured by the officials of the Base Business Unit before authorizing opening of the account.
- Capturing of photographs of the customers using digital camera.
- Handling of collection and payment of small value deposits and withdrawals up to the maximum extent of Rs.5000/- from a single customer. However for withdrawal

via card mode the limit is Rs 10,000 per day per customer but with a cap of Rs 5000 per transactions.

- Handling of small value transfer remittances up to the maximum extent of Rs. 5000/- per customer.
- Opening and promotion of PMJDY accounts.
- Enrolling of customers under social security schemes i.e. PMSBY, PMJJBY and APY.

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