



Embassy of India
Belgrade

Press Release

Demonetization of High Denomination Indian Currency Notes

With a view to curbing financing of terrorism through the proceeds of Fake Indian Currency Notes (FICN) and use of such funds for subversive activities such as espionage, smuggling of arms, drugs and other contrabands into India, and for eliminating Black Money, Government of India (GOI) decided to cancel the legal tender character of the High Denomination bank notes of Rs.500 and Rs.1000 denominations w.e.f. November 9, 2016.

2. Keeping in view that high denomination notes are known to facilitate generation of black money, New Series bank notes of Rs.500/- and Rs.2,000/- denominations have been introduced for circulation from 10th November, 2016. Infusion of Rs.2,000/- bank notes will be monitored and regulated by Reserve Bank of India. Introduction of new series of bank notes distinctly different from the current ones in terms of look, design, size and colour has been planned.

3. In the last two years, the Government of India has taken a number of steps to curb the menace of black money in the economy including setting up of a Special Investigation Team (SIT); enacting a law regarding undisclosed foreign income and assets; amending the Double Taxation Avoidance Agreement between India and Mauritius and India and Cyprus; reaching an understanding with Switzerland for getting information on Bank accounts held by Indians with HSBC; encouraging the use of non-cash and digital payments; amending the Benami Transactions Act; and implementing the Income Declaration Scheme 2016.

4. For the benefit of affected persons, the following operational guidelines have been issued by the Ministry of Finance in this regard:

i) Old High Denomination Bank Notes may be deposited by individuals/ persons into their bank accounts and/or exchanged in bank branches or Issue Offices of RBI till the close of business hours on 30th December, 2016.

ii) For those who are unable to exchange their Old High Denomination Bank Notes or deposit the same in their bank accounts on or before December 30, 2016, an opportunity will be given to them to do so at specified offices of the RBI on later dates along with necessary documentation as may be specified by the Reserve Bank of India.

5. The relevant GOI Notifications may be seen on the website of Ministry of Finance (<http://finmin.nic.in/>). Further details including Frequently Asked Questions (FAQs) in this regard are available on the website of Reserve Bank of India (<https://www.rbi.org.in/>).

Place: Belgrade

Date: November 11, 2016