RBI Guidelines for Opening Society Account

Understanding the RBI guidelines for opening a society account is essential for housing societies, RWAs, and cooperative bodies looking to manage their finances transparently and stay compliant with banking norms.

Eligibility to Open a Society Account

Societies registered under the Societies Registration Act, 1860 (or an equivalent state law) are permitted to open savings bank accounts. However, State or District Level Housing Co-operative Societies, water and sewerage boards, and similar government-linked bodies are generally not eligible for savings accounts and are directed toward current accounts instead.

Documents Required

Key documents for account opening include the Society Registration Certificate, Memorandum of Association, By-Laws, a resolution authorising account signatories, KYC documents, the society's PAN, and address proof.

KYC and Compliance Norms

RBI's guidelines on institutional accounts cover societies registered under the Societies Registration Act, 1860, or corresponding state laws, but exclude those registered under State Co-operative Societies Acts. Banks conduct KYC verification of all authorised signatories and require a valid resolution from the managing committee.

Bank Selection Norms

In some states, cooperative societies need permission from the Registrar of Co-operative Societies before opening an account with a bank other than a cooperative bank.

FCRA and Foreign Contributions

Societies receiving foreign donations must open a separate FCRA-designated account, since RBI tracks inward remittances to ensure transparency and mandatory reporting compliance.

Transparency & Reporting

RBI expects societies to maintain clear audit trails recording membership fees, donations, and grants along with annual balance sheets and financial statements.