

# Withdrawal of Circulation of 2000 Notes

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**Context-** The Rs 2000 denomination of banknotes will no longer be issued by the Reserve Bank of India (RBI).

## **Key Highlights**

- The notes will remain accepted as payment. The RBI has encouraged banks to quit giving Rs 2,000 group banknotes with quick impact and all Rs 2,000 cash notes should be traded before September 30, 2023.
- The RBI has encouraged individuals to move toward bank offices for store as well as trade of these banknotes.
- Up to a maximum of Rs 20,000 at a time, banknotes worth Rs 2000 can be exchanged. A non-account holder of a bank can also exchange Rs 2000 banknotes at any branch, up to a maximum of Rs 20,000 at a time.

## **Why did Rs. 2000 notes become available?**

- The Rs 2000 note was presented in November 2016 under Segment 24(1) of The RBI Act, 1934, fundamentally with the target of meeting the money necessity of the economy after the legitimate delicate status of Rs 500 and Rs 1000 notes was removed.

## **Why has the RBI stopped issuing Rs. 2000 bills?**

- The initial goal has been achieved: With the satisfaction of the goal of other sufficient supply of banknotes in different sections to meet cash necessities, the printing of Rs

2000 notes was halted in 2018-19.

- **Policy on Clean Notes:** As part of its “Clean Note Policy,” the Reserve Bank of India has decided to stop issuing banknotes with a denomination of Rs 2000.
  - While soiled notes are taken out of circulation, the Clean Note Policy aims to provide the general public with high-quality currency notes and coins with enhanced security features.
  - Because they have fewer security features than banknotes printed after 2005, the RBI had previously decided to remove all banknotes issued prior to 2005 from circulation.
  - In any case, the notes given before 2005 keep on being lawful and delicate.
  - They have just been removed from dissemination in congruence with the standard worldwide act of not having notes of different series available for use simultaneously.
- **Hoarding worries:** The move comes in the midst of worries of the greatest section notes being utilized to store dark cash.