

Sub: Maintenance of Bank Accounts in a Scheduled Bank under Section 4(2)(I)(D) – Directions issued under Section 37 of the Real Estate (Regulation and Development) Act, 2016 - Reg.

In compliance of Section 4(2)(I)(D) of the Real Estate (Regulation and Development) Act, 2016, the promoter has to open a separate account in a Scheduled Bank to cover the cost of construction and the land cost. Accordingly while filing application for registration of a real estate project, the promoter opens a account in a Scheduled Bank and furnish the Bank Certificate in the prescribed format.

2. Normally, promoters receive the amount from home buyers / allottees in a collection account and from there 70% of the amount is transferred to the RERA Designated Separate Account. The details of the amount received and transactions in the RERA Designated Separate Account are provided in the Quarterly Progress Report. However, there is no mechanism to monitor the collection account. Further, in some cases, promoter maintains a separate collection account for each project whereas in some cases, the collection account may serve multiple projects.

3. The above issue has been discussed in detail by the Authority and the following directions are hereby issued under the powers vested with the Authority in Section 37 of the Real Estate (Regulation and Development) Act, 2016, regarding maintenance of three Bank Accounts.

i) Opening of RERA Project Accounts:

The promoters shall open the following three bank accounts in a single Scheduled Bank and branch for a real estate project. The details of these accounts shall be furnished while filing application for registration of a real estate project.

- A. RERA Designated Collection Account (100%)
- B. RERA Designated Separate Account (70%)
- C. RERA Designated Transaction Account (30%)

In case of the real estate projects developed based on Joint Development Agreement (JDA) two set of the above 3 accounts to be opened i.e. one set for the land owner and another set for the promoter, irrespective of number of land owners and promoters.

A) RERA Designated Collection Account (100%):

The entire amount (100%) collected from the allottees from time to time should be first deposited in the 'RERA Designated Collection Account'.

The account name shall be as follows:

"RERA Designated Collection Account (100%) – (Name of the project) – (Name of the promoter)".

The bank where the RERA Designated Collection Account is opened shall ensure that no debits or withdrawals are permitted by means of cheque, debit card, credit card, internet banking facility or any other payment methods or any means of instruments from this account.

The promoter shall furnish particulars of the 'RERA Designated Collection Account' of the project in the allotment letter and in the agreement with the existing/prospective home buyers for the purpose of receiving payments towards allotment in the registered project.

Once the amount is received in the 'RERA Designated Collection Account', 70% of the amount shall be transferred to the 'RERA Designated Separate Account' and the balance 30% to the 'RERA Designated Transaction Account' through auto sweep facility at the end of the same day.

B) RERA Designated Separate Account (70%):

The promoter shall open and maintain "RERA Designated Separate Account" for the project in the same bank and branch for each registered project separately wherein 70% of the amount received in "RERA Designated Collection Account" from the allottees shall be transferred through auto sweep facility to the RERA Designated Separate Account at the end of the same day.

The account name shall be as follows:

"RERA Designated Separate Account (70%) – (Name of the project) – (Name of the promoter)".

The above account shall be free from all encumbrances and should not be an escrow account. This account shall be free from lien, loans, third party control i.e. lender / bank / financial institution and cannot be attached by any other Government

Authority / body unless any direction is given by Tamil Nadu Real Estate Regulatory Authority (TNRERA).

The amount from the 'RERA Designated Separate Account' shall be withdrawn by the promoter only after submission of Form 1 (Architect Certificate), Form 2 (Engineer Certificate) and Form 3 (Certificate by Chartered Accountant in practice) as prescribed in Regulation 7, to the bank and should be uploaded on TNRERA's portal. All the Certificates issued by Chartered Accountant shall contain QR Code. The money withdrawn from the separate account shall be credited to the 'RERA Designated Transaction Account' and shall be utilized only for meeting the following expenditure incurred on the project.

1. Land Cost
2. Cost of Construction / Development cost
3. Refund of the principal amount, if any, to the allottees subject to a maximum of 70% of the total refund.

C) RERA Designated Transaction Account (30%):

The promoter shall open and maintain a project transaction account and all transactions relating to project development shall be from this account only.

Only upto 30% of the amount realized for the real estate project from the allottees from time to time in 'RERA Designated Collection Account' of the project shall be transferred to the 'RERA Designated Transaction Account'.

The account name shall be as follows:

"RERA Designated Transaction Account (30%) – (Name of the project) – (Name of the promoter)"

Funds mobilized by the promoter from sources other than the allottees such as project loan, promoter's contribution, etc. shall also be credited in the 'RERA Designated Transaction Account'.

This amount can be utilized for meeting expenses towards refund (subject to a maximum of 30% of the total refund), compensation, interest on refund / compensation, marketing, repayment including interest on project loans, project administrative and overhead expenses and the penalty, if any, imposed by TNRERA.

ii) Report to the Authority:

The promoter shall submit following disclosure for existing secured/ unsecured finances availed for the real estate project by mortgaging land or

building/flat or both and serve the loan and interest thereon from 'RERA Designated Transaction Account'.

1. Name of the lender
2. Address of the lender or lender branch
3. Date of borrowing/ disbursement
4. Sanctioned amount
5. Disbursed amount
6. Outstanding amount
7. Details of mortgage (If any)
8. Declaration of Chartered Accountant certifying that loan amount is used for this project only.

If the promoter is availing project loan after registration with TNRERA he shall disclose the details as mentioned above, then and there, immediately.

iii) Change of three Bank Accounts of the Project:

Any change in the above three bank accounts of the project, after registration of the real estate project with the TNRERA will be permitted for valid reasons only with the prior written approval of the Authority. The promoter shall submit affidavit cum declaration, Form RA1, RA2, RA3 & RA4 as per the format available in the Authority's website for change of bank accounts.

iv) Closure of Bank Accounts:

On completion of the project, the promoter shall file an application for completion of the real estate project as per the checklist as hosted in the Authority's website along with the prescribed fee. On issue of completion report by TNRERA, and on receipt of the said completion report by the bank, the bank may permit the promoter to withdraw the balance amount from all the three accounts. This Authority will also notify about the completion of the project on the Authority's website.

v) Obligations of the Bank:

The banks shall be obliged to follow the provisions of opening, operating and closing of all three accounts.

- All the three TNRERA Designated Bank Accounts shall be opened in the same bank and branch.
- The bank and branch where the three accounts are opened shall ensure that no debits or withdrawal are permitted from the 'RERA Designated Collection

Account (100%)' by means of cheque, debit card, credit card, internet banking facility or any other payment methods or any means of instruments except through an auto sweep facility to transfer the 70% of the amount from the 'RERA Designated Collection Account' to the 'RERA Designated Separate Account' and 30% to the 'RERA Designated Transaction Account'.

- The banks shall strictly follow the nomenclature prescribed by TNRERA.
- The bank shall take a written standing advice from the promoters at the time of opening of the three accounts for auto transfer of funds deposited in the 'RERA Designated Collection Account' of the real estate project in the proportion of 70% and 30% to the 'RERA Designated Separate Account' and 'RERA Designated Transaction Account' respectively.
- The banks shall issue the certificate in the prescribed format, (Form-A) as hosted in this Authority's website to the promoter and the promoter shall upload the bank certificate while filing of application for project registration.
- The bank shall suspend withdrawals/transfers from all the three accounts of the project upon lapse of registration as mentioned in Form-C issued by TNRERA. However, the bank accounts shall remain operational only in the event where TNRERA has granted extension of the project validity which is uploaded in the Authority's website.
- In the event of any orders of the Authority for freezing/de-freezing of any of the project accounts, the banks shall immediately comply with such orders of the Authority and shall accordingly freeze/de-freeze the concerned accounts.

vi) Transfer of amount from 'RERA Designated Separate Account (70%)' to Fixed Deposit:

The promoters may transfer the amount available in the 'RERA Designated Separate Account (70%)' to Fixed Deposit through Auto sweep facility subject to the following conditions:

- i) The amount collected in the 'RERA Designated Separate Account' may be transferred to the Fixed Deposit attached to the 'RERA Designated Separate Account' and shall not be transferred to any other account in the same branch or to any other bank/branch.
- ii) On maturity of the Fixed Deposit or on pre-mature closure of the Fixed Deposit, the principal amount along with interest shall be credited to the 'RERA Designated Separate Account' only.

- iii) The Fixed Deposit will be "No Lien" fixed Deposit.
- iv) No loan can be obtained against or on such fixed Deposit.
- v) No charge can be created on such Fixed Deposit.

This will come into effect for all the applications received from 01.01.2026 including resubmission applications.

Sd/- 12.12.2025
Chairperson

/Tue copy/Forwarded/


Additional Director-I

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Form-A Bank Certificate:

(Format for furnishing a certificate from a Scheduled bank in their letter head duly signed by the competent authority with official seal and e-mail ID for maintaining a separate account as per Section 4(2)(I)(D) of the Real Estate (Regulation and Development) Act, 2016 for a real estate project).

To
The Chairperson,
Tamil Nadu Real Estate Regulatory Authority (TNRERA),
Chennai.

Sir,

Sub: TNRERA – Application for registration of a real estate project
– Construction of (Building / layout) at
..... – Opening a separate account
for the project - Reg.

Ref: Project details: i. Name of the project
ii. Layout / Building
iii. No. of floors and usage
(in case of building)
iv. Site address

It is certified that (Name & address of the promoter)
has opened three accounts in our bank as given below.

- a) RERA Designated Collection Account (100%) – Account No.
- b) RERA Designated Separate Account (70%) – Account No.
- c) RERA Designated Transaction Account (30%) – Account No.

The amount realized from the allottees from time to time will be first deposited in the 'RERA Designated Collection Account'. Seventy Percent (70%) of the amount from the above account shall be transferred through auto sweep facility to the 'RERA Designated Separate Account' at the end of the same day. The balance 30% amount will be transferred to the 'RERA Designated Transaction Account'.

2. In compliance of the Section 4(2)(I)(D) of the RERA Act, the amount deposited in the 'RERA Designated Separate Account (70%)' shall be withdrawn by the promoter after it is certified by the

- (i) Engineer,
- (ii) Architect, and
- (iii) Chartered Accountant in practice

stating that the withdrawal of the amount from the 'RERA Designated Separate Account' is in proportion to the percentage of completion of the project.

3. The balance amount available will be released and the said three accounts will be closed only on production of Completion Report of the aforesaid real estate project issued by the Tamil Nadu Real Estate Regulatory Authority.

Signature of the Bank Manager/
Authorised Signatory
(with official seal and official e-mail ID)

Sd/- 12.12.2025
Chairperson

/Tue copy/Forwarded/


Additional Director-I

15/12/25