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**News:** RBI to pull out ₹2,000 notes from active circulation

- The Reserve Bank of India (RBI) on Friday decided to withdraw ₹2,000 denomination banknotes from circulation in pursuance of its “Clean Note Policy”. However, the ₹2,000 notes will continue to be legal tender.
- A similar withdrawal of notes from circulation was undertaken in 2013–14.
- The central bank has advised the public to deposit ₹2,000 notes into their bank accounts and/or exchange them into banknotes of other denominations at any branch.

## **Legal Tender**

- Legal tender is defined as “any official medium of payment recognized by law that can extinguish public or private debt, or meet a financial obligation”.
- Legal tenders are those currencies which cannot be refused by any citizen of the country for settlement of any kind of transaction.