



NOMINATION POLICY

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INTRODUCTION

Nomination Facility – an ideal tool to mitigate hardships of common persons in settlement of claims in the event of death of the account holder.

Nomination is a facility that enables a deposit account holder(s) (individual / sole proprietor/ Joint Account Holders) or safe deposit locker holder(s) to nominate an individual, who can claim the proceeds of the deposit account(s) or contents of the safe deposit locker(s), post the demise of the original depositor(s) or locker holder(s).

Nomination is optional for bank customers. It is therefore necessary that nomination facility is popularized and customers are made aware of its advantages while opening a deposit account or opting for the lockers.

The benefit of nomination is that in the event of death of an account holder(s) or locker holder(s), the Bank can release the account proceeds or contents of the locker to the nominee(s) without insisting upon a Succession Certificate, Letter of Administration, or Court Order. The nominee holds the monies in the capacity of a Trustee on behalf of the legal heirs of the deceased account holder(s) or locker holder(s) and the Bank's liability is duly discharged on payment to the Nominee.

It should also be made clear to the depositor(s) that nomination is introduced solely for the purpose of simplifying the procedure for settlement of claims of deceased depositors and nomination facility does not take away the rights of legal heirs on the estate of the deceased. The nominee would be receiving the stock from the bank as a trustee of the legal heirs.

Banking Regulation Act, 1949 (Amendment Act, 1983)

The legal aspects of nomination are covered in the Banking Regulation Act, 1949 which was amended by Banking Laws (Amendment) Act, 1983 by introducing new Sections 45ZA to 45ZF, which provide, inter alia, for the following matters:

- I. To enable a banking company to make payment to the nominee of a deceased depositor, the amount standing to the credit of the depositor.
- II. To enable a banking company to return the articles left by a deceased person in its safe custody to his nominee, after making an inventory of the articles in the manner directed by the Reserve Bank.
- III. To enable a banking company to release the contents of a safe deposit locker to the nominee of the hirer of such locker, in the event of the death of the hirer, after making an inventory of the contents of the safe deposit locker in the manner directed by the Reserve Bank.

45ZA. Nomination for payment of depositors' money

(1) Where a deposit is held by a banking company to the credit of one or more persons, the depositor or, as the case may be, all the depositors together, may nominate, in the prescribed manner, one person to whom in the event of the death of the sole depositor or the death of all the depositors, the amount of deposit may be returned by the banking company.

(2) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such deposit, where a nomination made in the prescribed manner purports to confer on any person the right to receive the amount of deposit from the banking company, the nominee shall, on the death of the sole depositor or, as the case may be, on the death of all the depositors, become entitled to all the rights of the sole depositor or, as the case may be, of the depositors, in relation to such deposit to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(3) Where the nominee is a minor, it shall be lawful for the depositor making the nomination to appoint in the prescribed manner any person to receive the amount of deposit in the event of his death during the minority of the nominee.

(4) Payment by a banking company in accordance with the provisions of section 45ZA shall constitute a full discharge to the banking company of its liability in respect of the deposit:

PROVIDED that nothing contained in sub-section 45ZA shall affect the right or claim which any person may have against the person to whom any payment is made under this section.

45ZB. Notice of claims of other persons regarding deposits not receivable

No notice of the claim of any person, other than the person or persons in whose name a deposit is held by a banking company, shall be receivable by the banking company, nor shall the banking company be bound by any such notice though even expressly given to it:

PROVIDED that where any decree, order, certificate or other authority from a court of competent jurisdiction relating to such deposit is produced before a banking company, the banking company shall take due note of such decree, order, certificate or other authority.

45ZC. Nomination for return of articles kept in safe custody with banking company

(1) Where any person leaves any article in safe custody with a banking company, such person may nominate, in the prescribed manner, one person to whom, in the event of the death of the person leaving the article in safe custody, such article may be returned by the banking company.

(2) Where the nominee is a minor, it shall be lawful for the person making the nomination to appoint in the prescribed manner any person to receive the article deposited in the event of his death during the minority of the nominee.

(3) The banking company shall, before returning any articles under this section to the nominee or the person appointed under sub-section (2), prepare, in such manner as may be directed by the Reserve Bank from time to time, an inventory of the said articles which shall be signed by such nominee or person and shall deliver a copy of the inventory so prepared to such nominee or person.

(4) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such article, where a nomination made in the prescribed manner purports to confer on any person the right to receive the article from the banking company, the nominee shall, on the death of the person leaving the article in safe custody, become entitled to the return of the article to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner:

PROVIDED that nothing contained in this section shall affect the right or claim which any person may have against the person to whom the article is returned in pursuance of this sub-section.

45ZD. Notice of claims of other persons regarding articles not receivable

No notice of the claim of any person, other than the person or persons in whose

name any article is held by a banking company in safe custody, shall be receivable by the banking company, nor shall the banking company be bound by any such notice even though expressly given to it:

PROVIDED that where any decree, order, certificate or other authority from a court of competent jurisdiction relating to such article is produced before a banking company, the banking company shall take due note of such decree, order, certificate or other authority.

45ZE. Release of contents of safe deposit lockers

(1) Where an individual is the sole hirer of a locker from a banking company, whether such locker is located in the safe deposit vault of such banking company or elsewhere, such individual may nominate one person to whom, in the event of the death of such individual, the banking company may give access to the locker and liberty to remove the contents of the locker.

(2) Where any such locker is hired from a banking company by two or more individuals jointly and under the contract of hire, the locker is to be operated under the joint signatures of two or more of such hirers, such hirers may nominate one or more persons to whom, in the event of the death of such joint hirer or hirers, the banking company may give, jointly with the surviving joint hirer or joint hirers, as the case may be, access to the locker and liberty to remove the contents of such locker.

(3) Every nomination under sub-section (1) or sub-section (2) shall be made in the prescribed manner.

(4) The banking company shall, before permitting the removal of the contents of any locker by any nominee or jointly by any nominee(s) and survivors as aforesaid, prepare, in such manner as may be directed by the Reserve Bank from time to time, an inventory of the contents of the locker which shall be signed by such nominee or jointly by such nominee(s) and survivors and shall deliver a copy of the inventory so prepared to such nominee or nominee(s) and survivors.

(5) On the removal of the contents of any locker by any nominee or jointly by any nominee(s) and survivors as aforesaid, the liability of the banking company in relation to the contents of the locker shall stand discharged.

(6) No suit, prosecution or other legal proceedings shall lie against a banking

company for any damage caused or likely to be caused, for allowing access to any locker, and liberty to remove the contents of such locker, in pursuance of the provisions of subsection (1) or sub-section (2) as the case may be.

45ZF. Notice of claims of other persons regarding safe deposit lockers not receivable

No notice of the claim of any person, other than hirer or hirers of a locker, shall be receivable by a banking company nor shall the banking company be bound by any such notice even though expressly given to it:

PROVIDED that where any decree, order, certificate or other authority from a court of competent jurisdiction relating to the locker or its contents is produced before the banking company, the banking company shall take due note of such decree, order, certificate or other authority.

1. NOMINATION FACILITY IN DEPOSIT ACCOUNTS

1.1. Nomination Facility in Single/ Joint Deposit Accounts / Sole Proprietary Account.

- A. Nomination facility is available in all type of Deposit Accounts opened by the individual /s (Single / Joint). Nomination is also available to a Sole Proprietary Concern Account.
- B. Nomination facility can be extended to pension accounts as well.
- C. Nomination can be made in favour of one person only whether the deposit account be single / joint / sole proprietary. As such, a nominee cannot be an Association, Trust, Society or any other Organization or any office-bearer thereof in his official capacity. Nomination other than in favour of an individual is not valid.
- D. Nomination favouring the minor is permitted on the condition that the account holder, while making the nomination, appoints another individual not being a minor, to receive the amount of the deposit on behalf of the nominee in the event of the death of the depositor during the minority of the nominee.
- E. In the case of a deposit made in the name of a minor, nomination shall be made by a person lawfully entitled to act on behalf of the minor.
- F. A nomination will continue to be in force even on renewal of a term deposit, unless specifically cancelled or changed.

- G. Variation/cancellation of a subsisting nomination can be made by the depositor or by all the surviving depositor(s) as the case may be, acting together. This is also applicable to deposits having operating instructions "either or survivor".
- H. In the case of a joint deposit account, the nominee's right arises only after the death of all the depositors.
- I. B/U's shall indicate the name of the Nominee in the Pass Books / Statement of Accounts / FDR's, CCR's in case the customer is agreeable to the same, so that, his relatives can know from the pass book that the nomination facility has been availed of by the deceased depositor and take suitable action.
 - ❖ *Business Units (B/Us) shall generally insist that the person opening a deposit account makes a nomination. In case the person opening an account declines, he should be asked to give a specific letter to the effect that he does not want to make a nomination, B/Us shall record the fact on the account opening form and proceed with opening of the account. Under no circumstances, the Business Unit will refuse to open an account solely on the ground that the person opening the account refused to nominate*

1.2. OPERATIONAL PARAMETERS

- A. In the case of deposit accounts where the depositor had utilized the nomination facility and made a valid nomination or where the account was opened with the survivorship clause ("either or survivor", or "anyone or survivor", or "former or survivor" or "latter or survivor"), the payment of the balance in the deposit account to the survivor(s)/nominee of a deceased deposit account holder represents a valid discharge of the bank's liability provided
- B. The B/U has exercised due care and caution in establishing the identity of the survivor(s) / nominee and the fact of death of the account holder, through appropriate documentary evidence like Death Certificate from Municipality, or any other authorized person.
- C. There is no order from the competent court restraining the Bank/BU from making the payment from the account of the deceased.
- D. It has been made clear to the survivor(s) / nominee that he/she/they would be receiving the payment from the B/U as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the payment is made.
- E. It is reiterated that since payment made to the survivor(s) / nominee, subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee and would, therefore, invite serious supervisory disapproval. In such

case, therefore, while making payment to the survivor(s) / nominee of the deceased depositor, B/Us should desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee, irrespective of the amount standing to the credit of the deceased account holder.

1.3. CASE STUDIES

For easy understanding of the above mentioned clauses following are case studies

1.4. ACCOUNTS OPERATED SINGLY

❖ **Savings Account/Current Account with Nomination:**

The balance outstanding will be paid to the nominee on verification of his/her identity (by submission of officially valid documents OVD under KYC norms) and proof of death of depositor

Without Nomination:

The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of the authority of the legal heirs and proof of death of depositor.

❖ **Term Deposit Account with Nomination:**

The balance outstanding will be paid to the nominee on verification of his/her identity (by submission of officially valid documents OVD under KYC norms) and proof of death of depositor on maturity of deposit.

Without Nomination:

The balance outstanding will be paid to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of the authority of the legal heirs and proof of death of depositor on maturity of deposit.

❖ **Premature termination of Term Deposit Account with Nomination:**

Premature termination of term deposit account as per terms of contract will be permitted at the request of the nominee on verification of his/her identity (by submission of officially valid documents OVD under KYC norms) and proof of death of depositor.

Without Nomination:

Premature termination will be permitted on joint request by all legal heirs (or any of them as mandated by all the legal heirs) as per the terms of the contract on verification of the authority of the legal heirs and proof of death of depositor.

1.5. JOINT ACCOUNT WITH OR WITHOUT NOMINATION AND WITHOUT SURVIVORSHIP MANDATE (OPERATED JOINTLY)

(It may be noted that in the case of a joint deposit account the nominee's right arises only after the death of all the depositors.)

❖ Savings Account/Current Account with Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any of them as mandated by all the legal heirs) against their joint claim on verification of the authority of the legal heirs and proof of the death of the depositors.

b) In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his identity (by submission of officially valid documents OVD under KYC norms) and proof of death of depositors

Without Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the amount outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased account holder (or any one of them as mandated by all the legal heirs) against their joint claim on verification of the authority of legal heirs and proof of death of depositor.

b) In the event of death of both/ all joint account holders, the balance outstanding will be paid jointly to the legal heir(s) of all the deceased depositors (or any of them as mandated by all the legal heirs) on verification of authority of the legal heirs and proof of death of the depositors.

❖ Term Deposit Account with Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to survivor(s) and the legal heirs of the deceased joint account holder (or any one of them as mandated by all the legal heirs) on verification of identity of the legal heirs and proof of death of the depositor on maturity of the deposit.

b) In the event of death of both / all the joint account holders, the balance outstanding at the time of death of the depositors will be paid to the nominee on verification of his/her identity (by submission of officially valid documents OVD under KYC norms) and the proof of death of depositors on maturity of the deposit.

Without Nomination:

a) In the event of death of one (or more but not all) of the joint account holders, the balance outstanding will be paid jointly to the survivor(s) and the legal heir(s) of the deceased joint account holders (or any of them as mandated by all the legal heirs) against their joint claim on verification of authority of the legal heirs and proof of death of the depositor on maturity of the deposit.

b) In the event of death of both / all the joint account holders, the balance outstanding will be paid jointly to the legal heirs of all the deceased depositors (or any one of them as mandated by all legal heirs) on verification of authority of the legal heirs and proof of death of depositors on the maturity of the deposit.

❖ **Premature termination of Term Deposit Account with Nomination:**

a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request of the survivor(s) and the legal heir(s) (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of identity of the legal heirs and proof of death of depositor.

b) In event of death of all the account holders premature termination of term deposit account as per the terms of contract will be permitted at the request of the nominee on verification of his/her identity (by submission of officially valid documents OVD under KYC norms) and proof of the death of all the depositors.

Without Nomination

a) In the event of death of one (or more but not all) of the joint account holders, premature termination will be permitted against joint request by the survivor(s) and the legal heir(s) of all the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositor.

b) In the event of death of both / all the joint account holders, premature termination will be permitted against joint request by all legal heirs of the deceased depositors (or any one of them as mandated by all legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositors.

1.6 JOINT ACCOUNT WITH MANDATE “EITHER OR SURVIVOR”/“FORMER OR SURVIVOR”/ “ANYONE OR SURVIVORS”/ “LATTER OR SURVIVOR” - WITH OR WITHOUT NOMINATION:

❖ **Savings Account / Current Account with Nomination:**

a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor (s) on verification of proof of death of the depositor.

b) In the event of death of both/all the joint depositors, the balance outstanding will be paid to the nominee on verification of his/her identity (by submission of officially valid documents OVD under KYC norms) and proof of death of depositors.

Without Nomination:

- a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor on verification of proof of death of the depositor.
- b) In the event of death of both/all the joint depositors, the balance outstanding will be paid jointly to the legal heirs (or any one of them as mandated by all the legal heirs) on verification of authority of legal heirs and proof of death of depositors.

❖ Term Deposit Account with Nomination:

- a) In the event of death of one (or more but not all) of the depositors, the balance outstanding will be paid to survivor(s) on verification of proof of death of the depositors on maturity of deposit or as agreed at the time of opening of deposit.
- b) In the event of death of all joint depositors, the balance outstanding will be paid to the nominee on verification of his/her identity (by submission of officially valid documents OVD under KYC norms) and proof of death of depositors on maturity of deposit or as agreed at the time of opening of deposit.

Without Nomination:

- a) In the event of death of one of the depositors (or more, but not all), the balance outstanding will be paid to the survivors on verification of proof of death of the depositor on maturity of deposit or as agreed at the time of opening of deposit.
- b) In the event of death of all joint depositors, the balance outstanding will be paid to the legal heir(s) of all the deceased depositors (or any one of them as mandated by all the legal heirs of joint holders) on verification of authority of legal heirs and proof of death of depositors on maturity of deposit.

❖ Premature termination of Term Deposit Account with Nomination:

- a) In the event of death of one (or more but not all) of the depositors, the survivor(s) will have the right to seek premature termination of term deposit account as per the terms of contract on verification of proof of death of the depositor.
- b) In the event of death of all the joint depositors, the nominee will have right to seek premature termination of term deposit account as per the terms of the contract on verification of his/her identity (such as Election ID Card, PAN Card, passport etc.) and proof of death of depositors.

Without Nomination

- a) In the event of death of one (or more but not all) of the depositors premature termination will be allowed against request from surviving depositor(s) as per the terms of the contract on verification of the proof of the death of the depositor.
- b) In the event of death of all joint depositors, premature termination will be permitted against joint request by all legal heirs of the deceased depositors (or any one of them as mandated by all the legal heirs) as per the terms of contract on verification of authority of legal heirs and proof of death of depositors.

1.7. SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF OPERATIONAL INSTRUCTIONS DEPOSITS WITH NOMINATION

Account in the Name of	Operational Instructions	Nominee	Situation	What is to be done
A	Self	X	X dies	A can change the nomination
A	Self	X	A dies	X will receive the outstanding
A, B	Either or Survivor	X	A dies	Balance outstanding will be payable to B.
A, B	Either or Survivor	X	B dies	Balance outstanding will be payable to A.
A,B	Either or Survivor	X	A & B dies	X will receive the outstanding
A,B	Jointly	X	A dies	Payable to B and legal heirs of A jointly
A,B	Jointly	X	B dies	Payable to A and legal heirs of B jointly
A,B	Jointly	X	A & B dies	Payable to X

1.8. SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF OPERATIONAL INSTRUCTIONS DEPOSITS WITHOUT NOMINATION

Account in the Name of	Operational Instructions	Situation	What is to be done
A	Self	A dies	Outstanding will be payable to the legal heirs or any one of them mandated by all of the legal heirs
A, B	Either or Survivor	A dies	Outstanding will be payable to B
A,B	Either or Survivor	B dies	Outstanding will be payable to A
A,B	Either or Survivor	A & B dies	Jointly payable to legal heirs of A & B (or any of them mandated by all the legal heirs)
A,B	Jointly	A dies	Jointly payable to B and legal heirs of the A (or any one of them mandated by all the legal heirs).
A,B	Jointly	B dies	Jointly payable to A and legal heirs of the B (or any one of them mandated by all the legal heirs)
A,B	Jointly	A & B dies	Jointly payable to legal heirs of A & B (or any of them mandated by all the legal heirs)

1.9. Treatment of flows in the name of the deceased depositor

In order to avoid hardship to the survivor(s) / nominee of a deposit account, the B/U shall obtain appropriate agreement / authorization from the survivor(s) / nominee with regard to the treatment of pipeline flows in the name of the deceased account holder. In this regard, B/U can exercise adopting either of the following two approaches depending upon the authorization received from survivor(s) / nominee:

B/Us can be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Mr./Mrs./Ms XYZ, the Deceased' where all the pipeline flows in the name of the deceased account holder could be allowed to be credited, provided no withdrawals are made.

OR

B/U's can be authorized by the survivor(s) / nominee to return the pipeline flows to the remitter with the remark "Account holder deceased" and to intimate the survivor(s) / nominee accordingly. The survivor(s) / nominee / legal heir(s) could then approach the remitter to effect payment.

2. NOMINATION FACILITIES IN RESPECT OF SAFE DEPOSIT LOCKER

As listed above sections 45ZC to 45ZF of the Banking Regulation Act, 1949 provide for nomination and release of contents of safe deposit lockers to the nominee and protection against notice of claims of other persons. Following operational measures in respect of safe deposit locker should be noted:

2.1. Safe Deposit Lockers

- Nomination facility is available in respect of lockers hired singly as well as jointly. In respect of lockers in joint names nomination rules are applicable only if lockers are operated jointly.
- Where the lockers are hired jointly, on the death of any of the joint hirers, the contents of the locker are allowed to be removed only jointly by the nominee(s) and the survivor(s) after an inventory is taken in the prescribed manner. In such a case, after such removal preceded by an

inventory, the nominee and surviving hirer(s) may still keep the entire contents with the same bank, if they so desire, by entering into a fresh contract of hiring a locker.

- Banks are not required to open sealed/closed packets found in locker while releasing them to the nominee or nominees and surviving hirers. Description of the sealed/closed packet(s) should however be mentioned in the inventory.
- Section 45 ZE of the B.R Act, 1949 does not preclude a minor from being a nominee for obtaining delivery of the contents of a locker. The responsibility of the banks in such cases is to ensure that when the contents of a locker are sought to be removed on behalf of the minor nominee, the articles are handed over to a person who, in law, is competent to receive the articles on behalf of the minor.

2.2. Release of contents of safe lockers

1. Where an individual is the sole hirer of a locker from a B/U, such individual may nominate one person to whom, in the event of the death of such individual, the B/U shall give access to the locker and liberty to remove the contents of the locker.
2. Where any such locker is hired from a bank by two or more individuals jointly and under the contract of hire, the locker is to be operated under the joint signatures of two or more of such hirers, such hirers may nominate one or more persons to whom, in the event of death of such joint hirer or hirers, the B/U shall, jointly with the surviving joint hirer or joint hirers, as the case may be, give access to the locker and liberty to remove the contents of such locker.
3. B/Us, shall, before permitting the removal of the contents of any locker by any nominee or jointly by any nominee and survivors as aforesaid, prepare, in such manner an inventory of the contents of the locker which shall be signed by such nominee or jointly by such nominee and survivors and shall deliver a copy of the said inventory so prepared to such nominee or nominee and survivors.
4. On removal of the contents of any locker by any nominee or jointly by any nominee and survivors as aforesaid, the liability of the Bank in relation to the contents of the locker shall stand discharged.

2.3 Notice of claims of other persons regarding articles not receivable

No notice of the claim of any person, other than hirer or hirers of a locker, shall be receivable by the B/U, nor shall the bank be bound by any such notice even though expressly given to it: Provided that where any decree, order, certificate or other authority from a court of competent jurisdiction relating to the locker or its contents is produced before a bank, the Bank shall take due note of such decree, order, certificate or the other authority.

2.4 B/U's are advised to note the following instructions:

1. A minor can be a nominee for obtaining delivery of the articles of a locker. However, the responsibility of the B/Us in such cases is to ensure that when the contents of a locker are sought to be removed on behalf of the minor nominee, the articles are handed over to a person who, in law, is competent to receive the articles on behalf of the minor.
2. As regards lockers hired jointly, on the death of any one of the joint hirers, the contents of the locker are only allowed to be removed jointly by the nominees and the survivor(s) after an inventory is taken in the prescribed manner. In such a case, after such removal preceded by an inventory, the nominee and surviving hirer(s) may still keep the entire contents with the bank, if they so desire, by entering into a fresh contract of hiring a locker.

2.5. Access to the safe deposit lockers (with survivor/nominee clause)

If the sole locker hirer nominates a person, the B/U shall give to such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker hirer. In case the locker is hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates person(s), in the event of death of any of the locker hirers, the bank should give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s). In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given over to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause, the B/U shall follow the mandate in the event of the death of one or more of the locker-hirers.

2.6 B/U's shall take the following precautions before handing over the contents:

1. B/Us shall exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence like Death Certificate from Municipality, Hospital or the concerned authority.
2. B/Us shall make diligent effort to find out if there is any order from a competent court restraining the bank from giving access to the locker of the deceased; and
3. B/Us shall make it clear to the survivor(s) / nominee(s) that access to locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to him shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given. Since the access given to the survivor(s) / nominee(s), subject to the foregoing conditions, would constitute a full discharge of the B/Us' liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee(s) and would, therefore, invite serious supervisory disapproval. In such case, therefore, while giving access to the survivor(s) / nominee(s) of the deceased locker hirer, the B/U shall desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s).

2.7 Preparing Inventory

Business Units shall prepare an inventory before permitting removal of the contents of a safe deposit locker as per the prescribed format mentioned in Annexure III.

B/U's are not required to open sealed/closed packets found in locker while releasing these to the nominee(s) and surviving locker hirers / depositor of safe custody article.

Further, in case the nominee(s) / survivor(s) / legal heir(s) wishes to continue with the locker, B/Us may enter into a fresh contract with nominee(s) / survivor(s) / legal heir(s) and also adhere to KYC norms in respect of the nominee(s) / legal heir(s).

2.8 CASE STUDIES/ OPERATION PARAMETERS

For easy understanding of the above mentioned clauses following are case studies

2.9. SAFE DEPOSIT LOCKERS OPERATED SINGLY

❖ **Safe Deposit Lockers with Nomination:**

The nominee will be allowed to access the locker and remove the contents on verification of identification (by submission of officially valid documents OVD under KYC norms) and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of nominee(s) and two independent witnesses. Form for taking inventory is enclosed as Annexure - 7.

Without Nomination:

Legal heir(s) of the deceased locker hirer or a person mandated by the legal heir(s) will be allowed to access the locker and remove the contents on verification of proof of death of locker hirer. The legal heir(s) will have to produce documents to establish his /her/ their identity. Before permitting legal heir(s) to remove contents of the Safe Deposit Locker the bank would prepare an inventory of the articles in the presence of legal heir(s)/mandate holder and two independent witnesses. Form for taking inventory is enclosed as Annexure - 7(a).

2.10. SAFE DEPOSIT LOCKERS: JOINT ACCOUNT WITH OR WITHOUT NOMINATION AND WITHOUT SURVIVORSHIP MANDATE (OPERATED JOINTLY)

❖ **Safe Deposit Lockers with Nomination:**

a) In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) will be jointly allowed to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s) along with the surviving hirer(s).

b) In the event of death of both / all joint locker hirers the nominee(s) will be allowed to access the locker and remove the contents on establishing his/her/their identity and verification of proof of the death of the hirers.

Before permitting surviving hirer(s) and/or nominee(s) to remove contents of the Safe Deposit Locker, the bank would prepare an inventory of the articles in their presence along with two independent witnesses. Form for taking inventory is enclosed as Annexure - 7.

Without Nomination:

a) In the event of death of one (or more but not all) of the locker hirers, the surviving hirer(s) and legal heirs of the deceased hirer (or a person mandated by them) would

be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the hirer.

b) In the event of death of both / all the joint locker hirers, all the legal heirs (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the locker hirers.

Before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses. Form for taking inventory is enclosed as Annexure - 7(a).

2.11 SAFE DEPOSIT LOCKERS: JOINT ACCOUNT WITH MANDATE "EITHER OR SURVIVOR"/"FORMER OR SURVIVOR"/ "ANYONE OR SURVIVORS"/ "LATTER OR SURVIVOR" - WITH OR WITHOUT NOMINATION:

❖ **Safe Deposit Lockers with Nomination:**

At present B R Act (Section 45 ZE) does not provide nomination facility in respect of lockers with "Either or Survivor" / "Former or Survivor"/"Anyone or Survivors"/ "Latter or Survivor" mandate. Hence operational instructions are not given in this regard.

Without Nomination:

a) In the event of death of one (or more but not all) of the joint hirers, the surviving hirer(s) will be allowed to access the locker and remove the contents on verification of proof of death of the joint hirer(s).

b) In the event of death of all the locker hirers, all the legal heirs of the deceased joint hirers (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of the authority of legal heirs and proof of death of the locker hirers. Before permitting the surviving hirers/legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers/legal heirs and two independent witnesses. Form for taking inventory is enclosed as Annexure - 7(a).

2.12 SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF OPERATIONAL INSTRUCTIONS SAFE DEPOSIT LOCKERS WITH NOMINATION

Locker in the Name of	Operational Instructions	Nominee	Situation	What is to be done
A	Self	X	X dies	A can change the nomination
A	Self	X	A dies	X will be given access to the locker and liberty to remove contents
A,B	Jointly	X	A dies	B and X will be given access to the locker and liberty to remove contents jointly.
A,B	Jointly	X	B dies	A and X will be given access to the locker and liberty to remove contents jointly
A, B	Jointly	X	A & B dies	X will be given access to the locker and liberty to remove contents.
A,B	Jointly	X & Y	A dies	B along with X and Y will be given access to the locker and liberty to remove contents jointly
A, B	Jointly	X & Y	B dies	A along with X and Y will be given access to the locker and liberty to remove contents jointly.
A,B	Jointly	X & Y	A & B dies	X and Y jointly will be given access to the locker and liberty to remove the contents

2.13. SETTLEMENT OF CLAIMS IN VARIOUS TYPES OF OPERATIONAL INSTRUCTIONS SAFE DEPOSIT LOCKERS WITHOUT NOMINATION

Locker in the Name of	Operational Instructions	Situation	What is to be done
A	Self	A dies	Legal heirs of A or any of them mandated by any of them.
A, B	Either or Survivor	A dies	B will be given access to the locker and liberty to remove the contents.
A, B	Either or Survivor	B dies	A will be given access to the locker and liberty to remove the contents.
A,B	Either or Survivor	A & B dies	Legal heirs of A and B (or any one of them mandated by all legal heirs) will be given access to the locker and liberty to remove the contents.
A,B	Jointly	A dies	B and legal heirs of A (or any of them mandated by all legal heirs) will be given

			access to locker and liberty to remove the contents jointly.
A,B	Jointly	B dies	A and legal heirs of B (or any one of them mandate by all legal heirs) will be given access to locker and liberty to remove the contents jointly
A, B	Jointly	A & B dies	Legal heirs of A & B (or any of them mandated by all legal heirs) will be given access to locker and liberty to remove the contents.

2.14 SAFE DEPOSIT LOCKER PROCEDURE IN CASE THERE IS NO NOMINATION/SURVIVORSHIP CLAUSE:

- ✓ On receipt of notice of death of a sole renter or of the last survivor of the joint renters, the locker should be sealed with the Bank's seal and a note to this effect should be made in the all respective records as well as in the Declaration Card. The Declaration Card should be taken out of card index cabinet and kept carefully in a separate file.
- ✓ Branches may at their discretion, on production of satisfactory evidence, permit a legal representative of the deceased to inspect the contents of the locker to enable him /her to obtain the necessary succession certificate or any other legal representation.
- ✓ On registration of the succession certificate, probate of a will or letters of administration, the successor, executor or the administrator respectively shall have power to deal with the contents of the locker.
- ✓ The contents of the locker, sometimes, are not of great value/ importance, hence, obtaining legal representation involves cost as well as time. The branches may, therefore, in appropriate cases, allow the heirs of the deceased renter to have access to the locker and withdraw the contents against usual indemnity, subject to the following:
 - (a) The claimants/heirs of the deceased renter should furnish necessary particulars in the claim format, which is ordinarily obtained in deposit accounts.
 - (b) A prescribed letter should be taken from all the heirs requesting the Bank to open the locker for the purpose of inventory.
 - (c) The branch should then fix up a date and time for making an inventory and accordingly an inventory may be taken in the presence of all the heirs/ their duly constituted attorney/ies, two respectable witnesses known to the branch (should not be employees or ex-employees of the Bank), the valuer, the Safe Deposit Vault Custodian and another officer. The inventory may

be prepared in the prescribed inventory record form. After making an inventory, care should be taken to redeposit all the contents in the said locker and to seal the locker.

- ✓ The branches should forward the inventory papers to the Regional Authority to enable them to consider delivering the contents against usual indemnity signed by the claimant/s and one or two surety/ies considered good for the amount involved.
- ✓ On receipt of the approval, the claimant/s should be allowed to remove the contents from the locker after signing an indemnity and a letter of surrender together with the key.
- ✓ Where an inventory is to be taken in terms of a court order, it should be done in the presence of (i) the Court's representative, (ii) the claimant/s to the contents of the locker held by the deceased renter, (iii) the valuer and (iv) Two officers of the branch. The inventory should enumerate the contents of locker and it should be signed by those in whose presence the locker has been opened. The valuer's assessment of the value of each item of the inventory should be in triplicate, one copy to the Court, the second to the claimant and the third to be retained on branch record.

3. SETTLEMENT OF CLAIMS IN RESPECT OF MISSING PERSONS

B/U's shall follow the following procedure in case a claim is received from a nominee / legal heirs for settlement of claim in respect of missing persons:

The settlement of claims in respect of missing persons is governed by the provisions of Section 107 / 108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death. As per the provisions of Section 108 of the Indian Evidence Act, presumption of death can be raised only after a lapse of seven years from the date of his/her being reported missing. As such, the nominee / legal heirs have to raise an express presumption of death of the subscriber under Section 107/108 of the Indian Evidence Act before a competent court. If the court presumes that he/she is dead, then the claim in respect of a missing person can be settled.

B/U's shall settle the claims of a missing person after considering the legal opinion and taking into account the facts and circumstances of each case. Further, keeping in view the imperative need to avoid inconvenience and undue hardship to the common person, B/Us shall settle the claims up to an amount of Rs.10000/- in respect of missing persons without insisting on production of any documentation other than (i) FIR and the non-traceable report issued by police authorities and (ii) letter of indemnity.

4. ACKNOWLEDGEMENT OF NOMINATION

B/U's will acknowledge in writing to the depositor(s) / locker hirers (s) the filing of the relevant duly completed Form of nomination, cancellation and / or variation of the nomination. This acknowledgement shall be given to all the customers irrespective of whether the same is demanded by the customers. Acknowledgment is given at the end of each form annexed herewith.

5. REGISTERING THE NOMINATION

Business Units will register the nomination, cancellation and / or variation of the nomination. The proforma of such register is given in Annexure 1. This register is fully automated and can be extracted from Finacle using Menu Option "NOMREG". However Business Units are advised to fill in the nomination details at the time of account opening or modify the nominations using Menu Option "ACM" ("N" details) so that the Nomination Register is generated in Finacle. B/U's are advised to fill up all the fields so that there is automatic capturing of all the details in the said register.

6. WITNESS IN NOMINATION FORMS

The nomination forms are prescribed in the nomination rules like DA1, DA2 and DA3 for Bank Deposits, SL1, SL1A, SL2, SL3 and SL3A for Safe deposit Lockers. In such forms, only Thumb-impressions(s) shall be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

7. CUSTOMER GUIDANCE AND PUBLICITY

The Bank shall give wide publicity through print, electronic, its own website to the instructions along with the policies /procedures put in place for giving access of the locker to the nominee(s) / survivor(s) / Legal Heir(s) of the deceased locker hirer. To popularize the nomination facility, publicity may be launched, including printing compatible message through brouchers, pamphlets, and any other literature reaching the customers as well as launching periodical drives.

8. FORMS

Nomination Forms for deposit accounts, articles kept in safe custody and contents of safe deposit lockers, forms for cancellation and variation of the nominations. List of these forms are mentioned hereunder:

Form DA1	Nomination in respect of deposit accounts.
Form DA 2	Cancellation of nomination in respect of deposit accounts.
Form DA 3	Variation of nomination in respect of deposit accounts.
Form SL 1	Nomination in respect of safe deposit locker.
Form SL 1A	Nomination by joint hirers in respect of safe deposit locker
FORM SL 2	Cancellation of nomination in respect of safe deposit locker.
FORM SL 3	Variation of nomination in respect of safe deposit locker.
Form SL 3A	Variation of nomination by joint hirers in respect of safe deposit locker.
ANNEXURE 1	Format for nomination Register
ANNEXURE 2	Check-list of Documents
ANNEXURE 3	Application for Deceased claim having nomination or is joint account with survivorship clause
ANNEXURE 4	Receipt
ANNEXURE 5	Form of Inventory of Contents of Safe deposit Locker Hired from Banking Company Section 45ZE (4) of the Banking Regulation Act, 1949) (To be used where there is nomination or survivorship clause)
ANNEXURE 5A	Form of Inventory of Contents of Safe deposit Locker Hired from Banking Company (To be used where there is no nomination or survivorship clause)

REFERENCES:

1. **RESERVE BANK OF INDIA:** THE BANKING REGULATION ACT, 1949 [Act No. 10 of 1949] [As modified up to January 7, 2013].
2. **INDIAN BANKS' ASSOCIATION:** Model Operational Procedure for Settlement of Claims of Deceased Depositors & Return of Articles in Safe Deposit Lockers/ Safe Custody. Dated April 2014