



**INDRAPRASTHA SEHKARI BANK LTD.**

REGD. OFF. : A-101, Wazirpur Group Inhl. Area, Delhi-110052

Ph. : 45079400 (100 Lines) Fax : 45079499

## **LOCKER POLICY (Revised guidelines)**

(In terms of RBI Circular no. RBI/2021-2022/86 DOR.LEG.REC/40/09.07.005/2021-22 August 18, 2021)

**Need for:** Taking into consideration various developments in the area of banking and technology, nature of consumer grievances and also feedback received from banks and Indian Banks' Association (IBA) the Reserve Bank of India in exercise of powers conferred by Section 35A (to give directions) and Section 45ZC to 45ZF (Nominations) of Banking Regulation Act, 1949 read with Section 56 (Co-operatives) of the Act ibid and all other provisions of this act enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in public interest to do so, issued detailed revised instructions in supersession of earlier instructions. The review also takes into account the principles enumerated by Hon'ble Supreme Court judgement in a recent case. Consequently, the Reserve Bank has issued revised guidelines on Safe Deposit Lockers and Safe Custody of Articles facility, provided by Banks.

The revised guidelines shall come into force with effect from January 01, 2022 and be applicable to both new and existing safe deposit lockers and the safe custody of articles facility with the Banks.

### **PART-I Customer Due Diligence for issue of Lockers:**

#### **1. Customer Due Diligence (CDD):**

- 1.1. The existing customers of the Bank who are fully compliant with CDD criteria and the customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker / safe custody article after complying with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to ongoing compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.
- 1.2. The Bank shall obtain recent passport size photograph of locker hirer/s and individuals authorized by locker hirer/s to operate the locker and preserve in the records of the branch.
- 1.3. Further, Banks **shall incorporate a clause** in the locker agreement that the locker hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit Locker. If the bank suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker, the bank shall have the right to take appropriate action as it deems fit and proper in the circumstances.

## **PART II – Locker allotment**

2. To ensure transparency in allotment of lockers, the bank shall maintain a branch-wise list of vacant lockers as well as a wait list in CBS system compliant with Cyber Security framework issued by RBI. The bank shall acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the lockers are not available for allotment.

### **2.1. Model Locker Agreement:**

2.1.1. The Bank shall adopt the model locker agreement to be framed by IBA which shall be in conformity with revised instructions and directions of the Hon'ble Supreme Court in this regard. The Bank is committed to renew all its locker agreements with customers by **January 01, 2023**.

2.1.2. At the time of allotment of the locker to a customer, the bank shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. A copy of the locker agreement in duplicate, signed by both the parties, shall be furnished to the locker hirer to know his/her rights and responsibilities and original agreement shall be retained with the bank's branch where the locker is situated.

### **2.2. Locker Rent:**

2.2.1. To avoid situations where the locker-hirer neither operates the locker nor pays the rent and to ensure prompt payment of locker rent, the bank shall obtain a term deposit, at the time of allotment of locker, which would cover three years' rent and the charges for breaking open the locker in case of such an eventuality. The Bank shall not insist on such term deposits from the existing locker holders or those who have satisfactory operative account.

2.2.2. If locker rent is collected in advance, the proportionate amount of advance rent collected shall be refunded to the customer In the event of surrender of a locker.

2.2.3. In any event, such as merger/closure/shifting of branch warranting physical relocation of lockers, the Bank shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, banks shall make efforts to intimate their customers suitably at the earliest.

## **PART III – Infrastructure and security standards**

### **3.1. Security of the strong room / vault :**

3.1.1. The strong room of the branches of the bank is well secured to protect against hazard of fire/rains/flood water and to prevent criminal break-ins. The entrance and exit of the strong room and common areas of operation are under CCTV surveillance, recording of which is being preserved for at least 180 days. In case of any complaint regarding theft or security breach, the bank shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

- 3.1.2. The Bank has ensured that identification Code of the bank / branch is embossed on all the locker keys to facilitate identification of lockers / lockers ownership by law enforcement agencies in case of need. There is no restriction on use of an additional padlock by the locker hirer on his/her own locker if there are such provisions in locker.

#### **PART IV – Locker operations:**

##### **4.1. Locker operations:**

- 4.1.1. The locker hirer and/or the persons duly authorized by him/her are permitted to operate the locker after proper verification of their identity by authorized officials of the Bank.
- 4.1.2. The ingress and egress register for access to Vault Room is maintained to record the movement of locker hirers and individuals in the vault room area under their signatures at appropriate place in the register.
- 4.1.3. The Bank has ensured adequate privacy for the locker hirers in the operations in case of rush of customers to access the lockers at the same time.
- 4.1.4. The Bank shall send an email and SMS alert to the registered email ID and mobile number of the customer before the end of the day as a positive confirmation intimating the date and time of the locker operation.

##### **4.2. Internal Controls:**

- 4.2.1. The custodian of the Bank shall ensure that the lockers are properly closed post locker operation. If the same is not done, the custodian shall immediately close the locker and promptly inform the locker hirer at their registered mobile number, email id, address so that they may verify any resultant discrepancy in the contents of the locker.
- 4.2.2. The bank custodian shall also record the fact of not closing the locker properly in the register and its closure by the Bank with date and time. The custodian shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed and that no person is inadvertently trapped in the locker room after banking hours.
- 4.2.3. Locker Register and Locker Key Register are maintained in CBS system compliant with Cyber Security Framework by the RBI. Locker register is updated in case of any change in allotment with complete audit trails.
- 4.2.4. There shall be a system of inter change of locks whenever the locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes. The duplicate master keys shall be deposited with another branch of the bank. Proper record of joint custody of master keys is maintained and the Bank shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the bank who is not connected with their custody and proper record shall be maintained as a proof of such verification.

- 4.2.5. The Bank shall also ensure that custodian of lockers at branches maintain a register to keep a record of total number of lockers hired and number of lockers surrendered so that it is possible to find out at a particular time the number of lockers let out and number of lockers lying vacant. Stock of keys on hand shall also be verified in reference to lockers lying vacant at regular intervals.

## **PART V - Nomination facility and settlement of claims**

### **5.1. Nomination:**

- 5.1.1. The Bank extends nomination facility in case of safe deposit lockers and safe custody of articles in accordance with the provisions of Section 45ZC to 45ZF of the Banking Regulation Act, 1949 and Co-operative Banks (Nomination) rules, 1985. The Bank has put in place appropriate systems and procedures to register the nomination, cancellation and/or variation of the nomination on prescribed forms SL1, SL1A, SL2A, SL3 and SL3A for Safety Lockers and SC1, SC2 and SC3 for articles left in Safe Custody by the customers, to be obtained from customers and recorded/updated in the locker records/books. The Bank issues receipt of acknowledgement of nomination, cancellation and/or variation of the nomination, as the case may be, to all the customers irrespective of whether the same is demanded by the customers or not.
- 5.1.2. In case the nominee is a minor, same procedure as prescribed for other bank account shall be followed and a passport size photo of the nominee attested by the customer is obtained and preserved in bank records.
- 5.1.3. Thumb impression(s), are required to be attested by two witnesses. Signatures of account holders need not be attested by witnesses.

### **5.2. Settlement of claims in case of death of a customer:**

- 5.2.1. The Bank has put in place a Standard Operating Procedure (SOP) for nominations and settlement of claims of deceased constituents, in conformity with the regulatory instructions, for release of contents of safety lockers/safe custody articles to the nominee and protection against notice of claims of other persons in accordance with the provisions of Sections 45ZC to 45ZF of the Banking Regulation Act, 1949 and the Co-operative bank's (Nomination) rules, 1985 and relevant provisions of Indian Contract Act and Indian Succession Act. (See Annexure)
- 5.2.2. Settlement of claims in respect of deceased locker hirers and release of contents of the locker to survivor(s) / Nominee (s), as the case may be, is ensured within a maximum period of 15 days on receipt of such claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination and other formalities to the satisfaction of the Bank.
- 5.2.3. Details of number of claims pertaining to deceased locker-hirers/depositors of safe custody article accounts received by the Bank and pending beyond the stipulated period, with reasons therefor, are placed before the BoD, who shall review the settlement of claims and make suggestions to ensure that the claims are settled as early as possible unless there is any litigation pending before the Courts or any difficulty is being faced in identifying the true claimant with reference to nomination.

### **5.3. Access to the articles in the safe deposit lockers / return of safe custody articles**

- 5.3.1. In order to ensure that articles left in safe custody and contents of lockers are returned to the genuine nominee, as also to verify the proof of death, the Bank has adopted/devised its own set of claim formats in terms of applicable laws and regulatory guidelines.
- 5.3.2. The Bank shall ensure that before giving access to the contents to nominee/survivor, due care and caution is exercised in:
- i) establishing the identity of the survivor (s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;
  - ii) Make diligent effort to find out whether there is any order or direction from Courts/Forums restraining it from giving access to the locker of the deceased; and
  - iii) Make it clear to the survivor(s) / nominee (s) that access to articles in the 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 them shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

Similar procedure is followed for return of articles placed in the safe custody of the bank.

- 5.3.3. And if contents of the locker are sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further the Bank shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of the bank who is not associated with the locker facility or safe deposit of articles and the claimant(s), who may be a nominee or an individual receiving the articles, on behalf of a minor.
- 5.3.4. The Bank shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be that all the contents in the locker or in the safe custody of the bank, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.
- 5.3.5. The Bank does not insist on the production of succession certificate, letter of administration or probate etc. or obtain any bond of indemnity or surety from the survivor(s) / nominee(s), while giving access of the deceased locker hirer/depositor of the safe custody articles, unless there is any discrepancy exists in nomination. In this regard, banks shall take note of instructions under para 5.3.2.
- 5.3.6. In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, as is given in Standard Operating Procedure, to facilitate access to legal heir(s) / legal representative of the deceased locker hirer / depositor of articles in safe custody. In this regard, banks shall take note of instructions under para 5.3.2 above.

Similar procedure is followed for return of articles placed in the safe custody of the bank.

## **PART VI – Closure and discharge of locker items:**

**6. Break open of the locker:** In a manner other than through the normal access by the customer using his/her key, if:

1. The hirer loses the key and requests for breaking open the locker at his/her cost; or
2. If the Government enforcement agencies have approached the bank with orders from the court or appropriate competent authority to seize lockers and requested for access of the lockers; or
3. If the bank is of the view that there is a need to take back the locker as the locker hirer is not co-operating or not complying with the terms and conditions of the agreement.

### **6.1. Discharge of locker contents at the request of the customer:**

- 6.1.1. Now, if the hirer loses the key of the locker, he should notify the bank immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the bank. All charges for opening the locker, changing the lock and replacing the lost key may be recovered from the hirer. Applicable charges shall be communicated to the locker hirer.
- 6.1.2. Opening of the locker has to be carried out by the bank or its authorized technician only after proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker.
- 6.1.3. The operation shall be done in the presence of the customer/s and an authorized official of the bank. It is to ensure that the adjoining lockers are not impacted by any such operations and the contents of the lockers are not exposed to any individual other than the locker hirer during the break up or restoration process.
- 6.1.4. A suitable remark about break open of the locker is to be made in all relevant Locker register/records.

### **6.2. Attachment and recovery of contents by Law Enforcement agencies:**

- 6.2.1. In case of attachment and recovery of contents by any law enforcement agencies, the bank co-operate in execution and implementation of the orders.
- 6.2.2. The Bank shall verify and satisfy itself about the orders, inform the customer of the same, inventory is prepared in the presence of such Government authority, two independent witnesses and an officer of the bank and shall be signed by all. A copy of the inventory may be forwarded to the customer against acknowledgement.
- 6.2.3. The Bank shall also record a video of the break open process and the inventory assessment, wherever legally permissible and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

### **6.3. Discharge of locker contents by bank due to non-payment of locker rent:**

- 6.3.1. In case the locker rent has not been paid by the customer for three years in a row, the bank has the discretion to break open the locker. The bank shall notify the customer and give him/her reasonable opportunity to withdraw the articles deposited by him/her. A clause may be incorporated in the locker agreement to this effect.
- 6.3.2. Before breaking open the locker, the bank shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number. If the letter is returned undelivered or the locker-hirer is not traceable, the bank shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer or to any other person/s who has interest in the contents of locker to respond. The locker shall be broken open in the presence of an officer of the bank and two independent witnesses. Further, banks shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future. Banks shall also ensure that the details of break-open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register. After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.
- 6.3.3. Banks shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided at the end of this circular or as near thereto as circumstances require. Further, banks shall not open sealed/closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article, unless required by law.

### **6.4. In-operative lockers:**

- 6.4.1. If the locker remains inoperative for a period of seven years and the locker-hirer cannot be located, even if rent is being paid regularly, the bank shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the bank shall follow the procedure as referred above ( Clause 6.3.2 and 6.3.3.)
- 6.4.2. Where the lockers have not been operated for more than three years for medium risk category or one year for a higher risk category, bank shall immediately contact the locker hirer and advise him to either operate the locker or surrender it even if the locker rent is paid by the hirer regularly. Further, the Bank shall ask the locker hirer to give in writing, the reasons why he/she did not operate the locker. In case the locker hirer has some genuine reasons as in the case of NRIs or persons who are out of town due to a transferable job etc. bank may allow the locker hirer to continue with the locker. In case the locker hirer does not respond nor operate the locker, bank shall consider opening the locker after following due process.

6.4.3. The bank shall ensure that appropriate terms are inserted in the locker agreement executed with the customer specifying the position in case the locker is not in operation for long period. A clause may also be incorporated in the locker agreement to discharge the bank from liability in case the locker is not in operation and the locker is opened by the bank and contents are released as per law and as per instructions issued by the Reserve Bank and the terms and conditions prescribed in the agreement.

## **PART VII – Compensation policy / Liability for banks:**

### **7.1. Liability of banks arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. Or due to sole negligence of the customer:**

The Bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. However, the Bank has exercised appropriate care to protect the premises from such catastrophes.

### **7.2. Liability of bank arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the Bank.**

The Bank has taken all steps for the safety and security of the premises in which the safe deposit vaults are housed against incidents like fire, theft, burglary, robbery, building collapse do not occur due to its own shortcomings, negligence and by any act of omission/commission. The Bank cannot claim no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker is due to such incidents or attributable to fraud committed by its employee(s) the bank's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

It is pertinent to mention here, views of the Hon'ble Supreme Court, in the case, where the Respondent Bank inadvertently broke the Appellant's locker, without any just or reasonable cause, even though he had already cleared his pending dues. Moreover, the Appellant was not given any notice prior to such tampering with the locker. He remained in the dark for almost a year before he visited the bank for withdrawing his valuables and enquired about the status of the locker. Irrespective of the valuation of the ornaments deposited by the Appellant, he had not committed any fault so far as operation of the locker was concerned. Thus, the breaking open of the locker by the Bank was in blatant disregard to the responsibilities that the bank owed to the customer as a service provider. The alleged loss of goods in safe deposit locker occurred by gross negligence and deficiency on part of the bank.

**“ Thus looking to the facts and circumstances of the case, the Hon'ble Supreme Court deemed it appropriate to impose costs of Rs.5,00,000/- on the Bank which should be paid to the Appellant as compensation by deducting it from the salary of the erring officials if they are still in service and If the erring officials have already retired, the amount of costs should be paid by the Bank. Additionally, the Appellant shall be paid Rs.1,00,000/- as litigation expense.”**

Based on the principles laid down by Hon'ble Supreme Court in their judgement, the bank is committed to follow due diligence in operating its locker facilities. The very purpose for which the customer avails of the locker hiring facility is so that he/they may rest assured that



their assets are being properly taken care of. Thus the Hon'ble Supreme Court emphasize that irrespective of the value of the articles placed inside the locker, the bank is under a separate obligation to ensure that proper procedures are followed while allotting and operating the lockers:

- a) This includes maintenance of a locker register and locker key register;
- b) The locker register shall be consistently updated in case of any change in allotment;
- c) The bank shall notify the original locker holder prior to any changes in the allotment of the locker and give them reasonable opportunity to withdraw the articles deposited by them if they so wish;
- d) The Bank may consider utilizing appropriate technologies, such as block chain technology which is meant for creating digital ledger for this purpose;
- e) the custodian of the bank shall additionally maintain a record of access to the lockers, containing details of all the parties who have accessed the lockers and the date and time on which they were opened and closed;
- f) The bank employees are also obligated to check whether the lockers are properly closed on a regular basis. If the same is not done, the locker must be immediately closed and the locker holder shall be promptly intimated so that they may verify any resulting discrepancy in the contents of the locker. Further, the custodian shall also record the fact of not closing the locker properly in the register and its closure by the Bank with date and time.
- g) The concerned staff shall also check that the keys to the locker are in proper condition;
- h) the Bank shall take reasonable steps to ensure that systems on which the lockers are being operated, is protected against hacking or any breach of security;
- i) The customers' personal data including their biometric data, is not shared with third parties without their consent.
- j) the Bank has the power to break open the locker in accordance with the relevant laws and RBI regulations. Breaking open of the locker in a manner other than the prescribed under law shall be an illegal act which amounts to gross deficiency of service on part of the bank as a service provider;
- k) Due notice in writing shall be given to the locker holder at a reasonable time prior to the breaking open of the locker. Moreover, the locker shall be broken open only in the presence of authorized officials and an independent witness after giving due notice to the locker holder. The Bank shall prepare a detailed inventory of any articles found inside the locker, after the locker is opened and make a separate entry in the locker register, before returning them to the locker holder. Locker holder's signatures should be obtained upon the receipt of such inventory so as to avoid any dispute in future.

- l) The bank shall undertake proper verification procedures to ensure that no unauthorized person gains access to the locker. In case the locker remains inoperative for a long period of time and the locker holder cannot be located, the bank shall transfer the contents of the locker to their nominees/legal heirs or dispose-off the articles in a transparent manner, in accordance with the directions issued by the RBI in this regard;
- m) the bank shall also take necessary steps to ensure that the space in which the locker facility is located, is adequately guarded at all times;
- n) A copy of the locker hiring agreement, containing the relevant terms and conditions, shall be given to the customer at the time of allotment of the locker so that they are intimated of their rights and responsibilities.
- o) the Bank shall not contract out of the minimum standard of care with respect to maintaining the safety of the lockers as outlined above.
- p) The Bank shall adhere to Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts & burglaries.

## **PART VIII – Risk Management, Transparency and Customer guidance:**

### **8.1. Branch Insurance Policy:**

The Bank shall have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch etc. affecting contents of lockers.

### **8.2 Insurance of locker contents by the customer:**

Bank shall clarify in its locker agreement that as the Bank do not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by the customer, they would not be under any liability to insure the contents of the locker against any risk whatsoever. Hence it is in the interest of the customers to get their valuables insured at their own cost. Notice to this effect shall be placed outside the vault at a proper place.

### **8.3 Customer guidance and publicity:**

8.3.1. The Bank shall display the model locker agreement with all the terms & conditions and the Standard Operating Procedures (SOPs) on various aspects on their websites and/or at branches for public viewing and awareness of customers.

8.3.2. The Bank shall display updated information on all kinds of charges for safe deposit lockers and safe custody of articles on their websites.

8.3.3. The Bank shall place on their websites, the instructions together with the policies / procedures put in place for giving access of the locker/safe custody article to the nominee(s) / survivor(s) / legal heir(s) of the deceased locker hirer/safe custody article. Further a printed copy of the same shall also be given to the nominee(s) / survivor(s) / legal heir(s).

\*\*\*\*\*



**Form of Inventory of Contents of Safety Locker  
Hired from Banking Company  
(Section 45ZE (4) of the Banking Regulation Act, 1949)**

The following Inventory of contents of Safe Locker No.....located in the Safe Deposit Vault of.....branch at.....  
\*hired by Shri/Smt.....deceased in his/her sole name.

\*hired by Shri/Smt i).....(deceased)  
ii).....Jointly  
iii).....

was taken on this.....day of.....20.....

| Sl.No. | Description of Articles in Safety Locker | Other Identifying particulars, if any. |
|--------|--|--|
|        |  |  |
|        |  |  |

For the purpose of inventory, access to the locker was given to the Nominee/and the surviving hirers

- Who produced the key to the locker
- By breaking open the locker under his/her/their instructions.

The above inventory was taken in the presence of:

1. Shri/Smt.....(Nominee) .....  
Address:..... (Signatures)

OR

1. Shri/Smt.....(Nominee) .....  
Address:..... (Signatures)

And

Shri/Smt.....  
Address..... (Signatures)

Shri/Smt.....  
(Survivors of Joint hirers) (Signatures)

Address.....

2. Witness(es) with name, address and signature:

\*I, Shri/Smt.....(Nominee)

\*We, Shri/Smt.....(Nominee), Shri/Smt.....  
and Shri /Smt..... the survivors of the joint hirers,  
hereby acknowledge the receipt of contents of the safety locker comprised in and set out in the above inventory together with a copy of the said inventory.

Shri/Smt.....(Nominee)      Shri/Smt.....(Survivor)  
Signature.....      Signature.....

Date & Place.....

Shri/Smt.....(Survivor)  
Signature.....  
Date & Place.....

(\* Delete whichever is not applicable)

**Standard Operating Procedure for Nominations and settlement of claims of deceased constituents in Safe Deposit Locker/Safe Custody Article Facility provided by the banks. (in accordance with provisions of Sections 45ZC to 45ZF of Banking Regulation Act, 1949)**

**1. Nominations:**

**1.1 Nomination in respect of Safe Deposit Lockers:** The Bank shall offer nomination facility in case of safe deposit lockers and safe custody of articles in accordance with the provisions of Section 45-ZC to 45-ZF of Banking Regulation Act, 1949 and Banking Companies (Nomination) rules 1985/Co-operative Banks (Nomination) Rules, 1985.

1. Where an individual is the sole hirer of a locker, such individual may nominate one person to whom, in the event of the death of such individual, the Bank may give access to the locker and liberty to remove the contents of the locker. (As per Form SL-1)
2. Where the locker is hired from the 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 the death of such joint hirer or hirers, the Bank 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. Before permitting the removal of the contents of any locker by any nominee or jointly by any nominee and survivors as aforesaid, the Bank shall prepare, in such a manner as may be directed by the RBI from time to time, 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 inventory so prepared to such nominee or nominee and survivors.
4. On the 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.
5. In case the nominee is a minor, the depositor may appoint another adult individual to receive the article on behalf of the nominee in the event of death of the depositor and during minority of the nominee. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

No suit, prosecution or other legal proceedings shall lie against the Bank 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 above provisions.

**Notice of claims of other persons regarding safety lockers not receivable**

No notice of the claim of any person, other than hirer or hirers of a locker, shall be receivable by the bank, nor the bank, shall 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, the bank shall take due note of such decree, order, certificate or other authority.

### **1.2 Nomination in respect of articles kept in Safe Custody of the Bank:**

- 1) Where any person leaves any article in safe custody with the Bank, such person may nominate, in the prescribed manner, on 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 bank.
- 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 Bank shall, before returning any articles under this section to the nominee or the person appointed as above, 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.

### **Notice of claims of other persons regarding articles in safe custody not receivable:**

No notice of the claim of any person, other than the person or persons in whose name any article is held by the Bank in safe custody, shall be receivable by the bank, nor it shall 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, the bank shall take due note of such decree, order, certificate or other authority.

### **1.3 Nomination / Cancellation / variation:**

- Nomination, cancellation or variation in existing nomination can be made either at the time of hiring of the locker or subsequently at any time during occupancy of the locker / articles are kept in safe custody of the Bank, on prescribed format of the Bank;
- The prescribed form of nomination or cancellation/variation of nomination as the case may be obtained from hirer/s duly completed in all respects, which will be recorded in a register maintained with the Bank and an acknowledgment given to the hirer.
- Where the hirer/s and/or depositors of articles in safe custody prefers not to nominate, the same will be recorded in the application form.

## **2. Procedure for settlement of Deceased claims of Locker / Safe Custody Article a/c**

### **2.1 With survivor /nominee clause:**

- if the sole locker hirer nominates a person, bank will 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 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, bank will follow the mandate in the event of death of one or more of the locker hirers;
- Similar procedure will be followed for return of articles placed in the safe custody to the survivor/nominee;
- In case the locker was 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 may give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s);
- The claimants will have to establish their identity and submit documentary proof in respect of death of the locker hirer;
- In such cases, the bank will not insist 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). There should not be any order from a competent court restraining the bank from giving access to the locker of the deceased.
- In case of Locker/Safe custody with nomination/survivorship clause, the bank shall ask for the following papers:

Copy of Death Certificate (duly certified from original)

Duly filled in claim application in the prescribed format

Receipt for discharged safe custody receipt/locker.

- The access given to the survivor(s) / nominee(s), subject to the applicable conditions, would constitute a full discharge of the bank’s liability and the bank will not insist 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);
- Sealed/closed packets found in locker while releasing them to the nominee or nominees and surviving hirers shall not be opened. Description of the sealed/closed packet(s) shall, 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. In such cases, it shall be ensured 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 Without Survivor/Nominee clause:**

In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate, the access may be given to one or more of the survivors as under

- i. Legal heir(s) of the deceased locker hirer or a person mandated by the legal heir(s) shall be allowed to access the locker and remove the contents on verification of his / her / their ISA (identity, signature & address) as per extant KYC policy of the Bank & proof of death of locker hirer. 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.
- ii. 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 ISA (identity, signature & address) of such legal heirs as per extant KYC Policy of the Bank, authority of such legal heirs and proof of death of the hirer.
- iii. In the event of death of both / all the joint locker hirers, all the legal heirs of all the deceased locker hirer(s) (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 his / her / their ISA (identity, signature & address proof) as per extant KYC Policy of the Bank, their authority and proof of death of the locker hirers. c) 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

## **1.3 Settlement of claims in Case of Single Safe Custody Article hirer (Individual / Sole proprietary concern) - without Nomination :**

Safe custody article/s would be delivered to the legal heir(s) or a person mandated by the legal heir(s) on verification of his / her / their ISA (identity, signature & address) as per the extant KYC Policy of the Bank, his/her/their authority and verification of proof of death of the depositor. Before permitting legal heir(s) to remove contents of a Safe Custody Articles, the Bank would prepare an inventory of the articles in the presence of legal heir(s) /mandate holder and two independent witnesses

The Bank shall also be guided by the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.

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

**Note:** Succession Certificate is not applicable in respect of articles such as jewellery or cash in a locker. Therefore, a Succession Certificate holder is not entitled to receive such contents in a locker on the strength of the certificate. The claimant may obtain Letter of Administration for the purpose. However, shares, securities or insurance policies lying in a locker and listed in the Succession Certificate can be delivered to the holder of the certificate, against a proper receipt and on completion of any other formalities required by the Bank in



this regard. Letter of Administration can however cover both the jewellery/cash as well as shares/securities/policies.

**4. Breaking open of the lockers:** Break-open of locker may happen either at the request of the hirer/s (loss of key) or by the bank for default in payment of prescribed charges for or for any other reason.

In case the nominee/legal heir(s)/survivor(s) is/are not in possession of the key, the nominee/legal heir(s)/survivor(s) shall give a letter to that effect and request the Bank to arrange for breaking open the locker. A suitable date for breaking open the locker shall be fixed and necessary charges for breaking open the locker shall be collected from the nominee/legal heir(s)/survivor(s). The locker would be broken in the presence of the nominee/legal heir(s)/survivor(s) and two witnesses who are well known and acceptable to the Bank.

While removing the contents of the locker, the following procedure shall be observed:

- i. Any due to the bank towards locker rent etc. should be collected from the nominee / legal heir(s)
- ii. The locker should be opened / broken open in the presence of the nominee / legal heir(s) / survivor(s) if any and two witness who are well known and acceptable to the Bank. Procedure for settlement of Deceased claims of Locker / Safe Custody Article
- iii. An inventory is prepared and inventory form should be signed by the nominee, survivor(s) / legal heir(s) if any, and the witnesses.
- iv. After obtaining the receipt duly stamped and signed by the nominee and survivor(s)/ legal heir(s) if any the contents shall be handed over to the claimants.
- v. Details of the closure of locker relationship shall be recorded in locker management software/physical records.

**When the break-open of locker is done at the instance of the bank: The Bank shall follow the due process, as under:**

- a) the bank shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number followed by reminders;
- b) If the letter is returned undelivered or the locker-hirer is not traceable, the bank shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer or to any other person/s who has interest in the contents of locker to respond.
- c) The locker shall be broken open in the presence of an officer of the bank and two independent witnesses.
- d) bank shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future.

- e) Banks shall also ensure that the details of break-open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register.
  
- f) After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it.
  
- g) A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

\*\*\*\*\*

**(Chief Executive Officer)**

This policy was approved vide Board resolution No. \_\_\_\_\_ dated \_\_\_\_\_.

**(C.E.O.)**