

Introduction

Accounts where the account holder has deceased is guided by certain legal and regulatory provisions. Apart from the procedures listed below, the users should be guided by RBI circular no.DBOD No Leg.BC.95/09.07.005/2004-05 dated June 09, 2005 (given as Extract I) and IBA circular on "Model Operational Procedure for Settlement of Claims of Deceased Depositors" dated June 2006 (given as Extract II). The Bank will currently follow this process for lockers and items under safe custody until further guidelines / notifications are not received from RBI.

In case of death of the account holder, there can be the following scenarios:

1. The account is in the sole name (or proprietorship) of the deceased and a nomination is available
2. The account is in the sole name of the deceased (or proprietorship) and a nomination is not available
3. The account is in joint names and one of the account holders have deceased and there is no survivorship clause applicable in the relationship
4. The account is in joint names and is under 'either or survivor' category and one of the account holders have deceased
5. The account is in joint names and all account holders die and the account is covered by nomination facility
6. The account is in joint names and all account holders die and the account is not covered by nomination facility
7. The account is a partnership account and one or more of the partners have deceased
8. The account is a HUF account and the karta has deceased

In every case the bank should be first served a notice of death of the customer. This notice effectively terminates the authority given by the customer to the bank ex. to honour cheques, etc. only in case of account in sole name or in case of joint accounts, where such accounts were mandated to be operated jointly. The account is immediately blocked to stop further transactions in the account.

Given below are the detailed requirements for each of the above scenarios:

1. Nomination available for a sole account or account with a survivor clause

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

1. the bank 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;
2. there is no order from the competent court restraining the bank from making the payment from the account of the deceased; and
3. it has been made clear to the survivor(s) / nominee that he would be receiving the payment from the bank 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.

The documentation requirements in case of a nomination are given below:

- Application in the format attached as Schedule I
- Copy of the death certificate (original to be sighted by the Bank) issued by Municipal Authorities or Village Panchayat
- Identification documents of the nominee such as Election ID Card, PAN Card or Passport or any other satisfactory proof of identification acceptable to the bank

2. No nomination available for a sole account

The documentation requirements given below for amounts upto Rs.100,000

- Application in format attached as Schedule II
- Copy of the death certificate (original to be sighted by the Bank)

- Indemnity for claiming funds from the deceased account (with signatures of 2 witnesses) executed by the legal heir in favour of the bank as per the format attached in Schedule III
- Identification documents of the personal claiming the amount
- Authorisation from Area Manager for amounts upto Rs.25,000 and from Commercial Director or Operations Head or Retail Banking Head for amounts greater than Rs.25,000

For cases where the amount is greater than Rs.100,000, additionally the following is to be obtained from a court of law

- a succession certificate OR
- a probate (in case of a Will) OR
- a letter of administration

3. No nomination available for a joint account where one of the account holders are deceased

The requirement / document formalities will be similar to case no.2 above.

4. Death of one account holder in an 'either or survivor' account

- Notice of death
- Copy of the death certificate (original to be sighted by the Bank)
- Application in the format attached as Schedule I

5. Account is in joint names and all account holders have deceased – nomination available

The requirements are same as in case no.1 above

6. Account is in joint names and all account holders have deceased – nomination not available

The requirements are same as in case no. 2 above

7. One or more of the partners have deceased in a partnership account

As per the Indian Partnership Act, 1932, in case of death of one or more partners, subject to the terms of the partnership deed, the partnership may be dissolved. On receipt of notice of death of a partner by the Bank, the operations in the account should be blocked pending receipt of a revised partnership deed along with a revised mandate for operation of the account. If the partnership deed explicitly mentions the continuity of the partnership firm after the death of a partner, the Bank will follow the process of blocking the account, obtaining a fresh partnership deed or notice of registration duly endorsed by the Registrar and mandate and then allow operations into the account. If a cheque (dated prior to the death of the partner) is received for payment signed by the deceased partner, a concurrence on the issuance of the cheque has to be obtained from any of the existing partners as per the mandate provided to the Bank and the cheque may be honored. In case the date on the cheque is after the death of the partner then the cheque needs to be returned.

8. Death of karta in a HUF account

In case of receipt of notice of death of the karta of a HUF account, the operations in the account are immediately blocked. The Bank should seek a confirmation from the existing members on whether they will be continuing with the HUF. In case they are, then a revised HUF declaration signed by the remaining co-parceners appointing the karta should be obtained. In case not, then the relevant documents relating to partition of the property should be obtained before allowing the co-parceners to withdraw the funds.

Notwithstanding the above, a few general comments are given below:

- No other person has any claim to the credit balance unless it can be proved that the balance represents trust money to which the claimant is entitled or that in the matter of that account the deceased customer was really an agent of his principal the claimant.
- Satisfactory evidence consists of probate or letter of administration or succession certificate under Section 370 of the Indian Succession Act 1925 along with a certified true copy of the death certificate.
- Succession certificate/letter of administration is not necessary for amounts upto Rs. 100,000.

- Where a deceased has died leaving a Will and naming executors, a Probate is required to be obtained for amounts exceeding Rs. 100,000.
- Where a deceased has died intestate or has left a will without naming Executors, letter of administration is required to be obtained for amounts exceeding Rs. 100,000.
- In case of joint account holders and all account holders have died heirs of each of the joint account holders should produce legal representation in terms of probate letter of administration succession certificate for amounts exceeding Rs. 100,000.
- Disposal to legal heir does not apply in case of Nomination. If the account holder has nominated any person such nominee becomes entitled to all the rights of the depositor on the death of the depositor to the exclusion of all other persons. Payment by the bank to the nominee constitutes a discharge to the bank See 45ZA of the Banking Regulation Act.
- In case of Term Deposits, the nominee / person eligible to claim the funds (as per above) may either (1) hold the term deposits till maturity and withdraw post maturity including interest or (2) premature the deposit without penal interest and withdraw the proceeds including applicable interest.

Bank should settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee in case of accounts with survivor / nominee within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the Bank's satisfaction. In the case of accounts without survivor / nominee clause the claim should be settled within 1 month from the date on which the requisite documents have been submitted.

Extract I – RBI circular on deceased depositors

RBI/2004-05/490
DBOD.No.Leg. BC.95 /09.07.005/2004-05

June 09, 2005

To

The Chairman/CEOs of All the Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir,

Settlement of claims in respect of deceased depositors – Simplification of Procedure

Pursuant to the announcement in the Mid-Term Review of the Annual Policy of the RBI on November 3, 2003, the Committee on Procedure and Performance Audit on Public Services (CPPAPS) was constituted by the RBI with a view to improving the quality of public services to the common person. The Committee in its Report No.3 on 'Banking Operations : Deposit Accounts and Other Facilities Relating to Individuals (Non-Business)', observed that the tortuous procedures, particularly those applicable to the family of a deceased depositor, caused considerable distress to such family members. While the instruction regarding settlement of claims of the deceased depositors had been issued to the banks vide our circular No.DBOD.BC.148/09.07.007/99-2000 dated March 14, 2000 and BC.56/09.07.007/2000-01 dated December 6, 2000, the present dispensation has been reviewed in the light of the recommendations of the CPPAPS and the following instructions are being issued, in **supersession** of all the earlier instructions on the subject, to facilitate expeditious and hassle-free settlement of claims on the death of a depositor.

2. ACCESS TO BALANCE IN DEPOSIT ACCOUNTS

(A) Accounts with survivor/nominee clause

2.1 As you are aware, 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 :

- (a) the bank 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;
- (b) there is no order from the competent court restraining the bank from making the payment from the account of the deceased; and
- (c) it has been made clear to the survivor(s) / nominee that he would be receiving the payment from the bank 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.

2.2 It may be noted 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, the banks are advised to 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.

(B) Accounts without the survivor/nominee clause

2.3 In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts), banks are advised to adopt a simplified procedure for repayment to legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person. In this context, banks may, keeping in view their risk management systems, fix a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors could be settled without insisting on production of any documentation other than a letter of indemnity.

3. Premature Termination of term deposit accounts

In the case of term deposits, banks are advised to incorporate a clause in the account opening form itself to the effect that in the event of the death of the depositor, premature termination of term deposits would be allowed. The conditions subject to which such premature withdrawal would be permitted may also be specified in the account opening form. Such premature withdrawal would not attract any penal charge.

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

In order to avoid hardship to the survivor(s) / nominee of a deposit account, banks are advised to 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, banks could consider adopting either of the following two approaches:

- The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri _____, 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

- The bank could 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 through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

5. Access to the safe deposit lockers / safe custody articles

For dealing with the requests from the nominee(s) of the deceased locker-hirer / depositors of the safe-custody articles (where such a nomination had been made) or by the survivor(s) of the deceased (where the locker / safe custody article was accessible under the survivorship clause), for access to the contents of the locker / safe custody article on the death of a locker hirer / depositor of the article, the banks are advised to adopt generally the foregoing approach, *mutatis mutandis*, as indicated for the deposit accounts. Detailed guidelines in this regard are, however, being issued separately.

6. Time limit for settlement of claims

Banks are advised to settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee(s) within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the bank's satisfaction.

Banks should report to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, giving reasons therefor.

7. Provisions of the Banking Regulation Act, 1949

In this connection, attention is also invited to the provisions of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985.

8. Simplified operational systems / procedures

The Indian Banks' Association (IBA) has been advised to formulate a Model Operational Procedure (MOP) for settlement of claims of the deceased constituents, under various circumstances, consistent with the instructions contained in this circular, for adoption by the banks. The banks are, therefore, advised to undertake a comprehensive review of their extant systems and procedures relating to settlement of claims of their deceased constituents (i.e., depositors / locker-hirers / depositors of safe-custody articles) with a view to evolving a simplified policy / procedures for the purpose, with the approval of their Board, taking into account the applicable statutory provisions, foregoing instructions as also the MOP to be formulated by the IBA.

9. Customer Guidance and Publicity

Banks are advised to give wide publicity and provide guidance to deposit account holders on the benefits of the nomination facility and the survivorship clause. Illustratively, it should be highlighted in the publicity material that in the event of the death of one of the joint account holders, the right to the deposit proceeds does not automatically devolve on the surviving joint deposit account holder, unless there is a survivorship clause.

10. These instructions should be viewed as very critical element for bringing about significant improvement in the quality of customer service provided to survivor(s) / nominee(s) of deceased depositors.

11. Please acknowledge receipt.

Yours faithfully,

(Anand Sinha)
Chief General Manager-in-Charge

Extract II - Model Operational Procedure for Settlement of Claims of Deceased Depositors

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Part II	Guidance to the customers on advantages of nomination facility / survivorship mandate
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Part I - Introduction

Delays in settlement of claims of the nominee / legal heirs of the deceased depositors by banks cause considerable hardship. Claims by legal heirs / nominee could be in respect of deposits, safe custody articles or contents of lockers. With a view to removing the hardships faced by *Common Person*, the Committee on Procedures and Performance Audit on Public Services (CPPAPS) constituted by the Reserve Bank had suggested that the Reserve Bank of India may issue comprehensive guidelines in the matter and IBA may be asked to draft and circulate a comprehensive model operational procedure, which could be used by banks for settlement of claims of deceased depositors. Accordingly, IBA had formed a Working Group to review the existing procedures being followed by banks for settlement of claims by legal heirs of deceased constituents and to draft a model operational procedure for settlement of claims of deceased depositors.

The legal position is quite clear in the matter of settlement of claims on the death of an individual. In the absence of nomination or clear mandate in respect of a joint account or a will left behind by the deceased depositor, banks are required to pay the stock (balance outstanding) at the time of death of the person to all the legal heirs. Considering the risk involved, banks traditionally used to look for legal representation (in the form of a succession certificate, letter of administration or probate) for settlement of claims. The system of obtaining operational mandates in joint accounts emerged as a banking practice to overcome difficulties in settlement of claims in deceased accounts. Subsequently, the statutes were amended in 1985 to provide for nomination facility in bank deposits, safe deposit lockers and safe custody articles. However, since nomination facility is optional at the discretion of the depositor, problems and difficulties in settlement of claims in the event of death of an individual persist.

Reserve Bank of India vide circular No. DBOD.No.Leg.BC.95 /09.07.005/2004-05 dated 9th June, 2005 have issued detailed guidelines for evolving simplified procedure for settlement of claims in respect of deceased depositors. This model operational procedure incorporates the guidelines contained in the RBI circular. Besides, this model operational procedure will be applicable to settlement of claims falling within the threshold limit for such cases having no nominee or survivorship clause (member banks to determine the threshold limit keeping in view their risk management systems). Settlement of claims in such cases within the threshold limit will be settled against indemnity to be furnished by legal heir(s) of the deceased depositor as may be applicable to specific claims.

Part II – Guidance to the customers on advantages of Nomination facility / survivorship mandate

Nomination facility

- **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 facility simplifies the procedure for settlement of claims of deceased depositors as banks get a valid discharge by making payment of the balance outstanding in a depositor's account at the time of his death or delivering contents of locker or articles kept in safe custody to the nominee.
- 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.
- **Member Banks should inform account holder about the availability of nomination facility, on a voluntary basis. Nomination facility, if availed, would ensure smooth settlement of claim 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.

Survivorship

- A joint account opened as "**Either or Survivor**" or "**Anyone or Survivors**" or "**Former or Survivor**" or "**Latter or Survivor**" will permit the surviving account holder(s) to have unimpeded access to the credit balance in the account for withdrawal if one of the co-account holders dies.
- If the mandate of survivorship is given / provided, the survivor(s) can give a valid discharge to the bank in the case of "**Either or Survivor**" / "**Anyone or Survivors**" and "**Former or Survivor**" / "**Latter or Survivor**" joint accounts.
- In short, payment to survivor(s) can be made in the normal course subject to the only rider that there is no order from a competent court restraining the bank from making such payment.

Customer Guidance and Publicity

This model operational procedure for settlement of claims of deceased depositors has been suggested with a view to removing hardships faced by common persons in settlement of claims of deceased depositors. This document also aims at creating greater awareness amongst depositors about the advantages of availing "nomination" facility offered by banks or giving operational mandates like "Either or Survivor", etc. when accounts are opened in joint names.

Member banks may bring out pamphlets and other publicity materials incorporating details of operational procedures for settlement of claims of deceased depositors for distribution amongst depositors.

Member Banks may give wide publicity and provide guidance to deposit account holders on the advantages of the nomination facility and the survivorship clause. It should be highlighted in the publicity material that in the event of the death of one of the joint account holders, the right to the deposit proceeds does not automatically devolve on the surviving joint deposit account holder/s, unless there is a survivorship clause.

Part III – Settlement of claims in various types of accounts / Facilities

1. Single Account with or without nomination

Savings Account/Current Account

With Nomination:

The balance outstanding at the time of death of the depositor will be paid to the nominee on verification of his /her identity 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 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 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:**

The nominee will have right to seek premature termination of term deposit account as per terms of contract on verification of his identity 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.

2. Joint Account with or without nomination and without survivorship mandate (operated jointly)**Savings Account/Current Account****With Nomination :**

a) In the event of death of one 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(s) (or any one of them as mandated by all the legal heirs) on verification of the authority of the legal heirs and proof of the death of the depositor.

b) In the event of death of both / all joint account holders, the balance outstanding at the time of death of the depositor(s) will be paid to the nominee on verification of his identity and proof of death of depositors.

Without Nomination:

(a) In the event of death of any of the joint account holder(s), the amount outstanding will be paid jointly to the legal heirs of the deceased account holder (or any one of them as mandated by all the legal heirs) and surviving account holders 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 to the legal heir(s) of all the depositors (or any one 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 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(s) (or any one of them as mandated by all the legal heirs) 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 at the time of death of the depositor(s) will be paid to the nominee on verification of his identity and the proof of death of depositors on maturity of the deposit.

Without Nomination:

(a) In the event of death of one of the joint account holders, the balance outstanding will be paid jointly to the survivor(s) and the legal heir(s) of the deceased (or any one of them as mandated by all the legal heirs) 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 to the legal heirs (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 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 authority of the legal heirs and proof of death of depositor.

(b) In the event of death of both / all joint account holder, the nominee will have right to seek premature termination of term deposit account as per the terms of contract on verification of his identity and proof of the death of the depositors.

Without Nomination

(a) In the event of death of one of the joint account holders, premature termination will be permitted against joint request of the survivor(s) and the legal heir(s) of the deceased (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 accountholders, 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.

3. Joint account with mandate "Either or Survivor" / "Anyone or Survivors" - with or without nomination :

Savings Account / Current Account

With Nomination :

(a) In the event of death of one of the joint account holders the balance outstanding will be paid jointly to survivor(s) on verification of proof of death of the depositor.

(b) In the event of death of both / all joint account holders the balance outstanding will be paid to the nominee on verification of his identity and proof of death of depositors.

Without Nomination :

(a) In the event of death of one of the joint account holders the balance outstanding will be paid jointly to survivor(s) on verification of proof of death of the depositor.

(b) In the event of death of both / all the account holders, 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 of the joint account holders the balance outstanding will be paid jointly to survivor(s) on verification of proof of death of the depositor on maturity of deposit.

(b) In the event of death of both / all joint account holders, the balance outstanding will be paid to the nominee on verification of his identity and proof of death of depositors on maturity of deposit.

Without Nomination:

(a) In the event of death of one of the joint account holders, the payment will be made to the survivor(s) on verification of proof of death of the depositor on maturity of deposit.

(b) In the event of death of both / all the joint account holders, the balance outstanding will be paid jointly to the legal heir(s) (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 on maturity of deposit.

(d) Premature termination of Term Deposit Account

With Nomination :

(a) In the event of death of one of the joint account holders, premature termination will be permitted to survivor(s) as per the terms of contract on verification of proof of death of depositor.

(b) In the event of death of both / all joint account holders, the nominee will have right to seek premature termination of term deposit account as per the terms of the contract on verification of his identity and proof of death of depositors.

Without Nomination

(a) In the event of death of one of the joint account holders, premature termination will be permitted to survivor(s) as per the terms of contract on verification of proof of death of depositor.

(b) In the event of death of both / all the account holders, premature termination will be permitted against joint request by all legal heirs of the deceased (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.

4. Joint Account with mandate "Former or Survivor" / "Latter or Survivor" - with or without nomination:

Savings Account / Current Account

With Nomination:

(a) In the event of death of former/latter, the balance outstanding will be paid to survivor on verification of proof of death of depositor

(b) In the event of death of both the depositors the balance outstanding will be paid to the nominee on verification of his identity and proof of death of the depositors.

Without Nomination:

(a) In the event of death of former / latter as the case may be the balance outstanding will be paid to the survivor on verification of proof of death of the depositor.

(b) In the event of death of both the joint account holders, the balance outstanding will be paid to 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 former/latter, the balance outstanding will be paid to the survivor on verification of proof of death of the depositor on maturity of deposit.

(b) In the event of death of both / all account holders the balance outstanding will be paid to the nominee on verification of his identity and proof of death of depositors on maturity of deposit.

Without Nomination:

(a) In the event of death of Former / Latter depositor as the case may be, the balance outstanding will be paid to the survivor on verification of proof of death of the depositor on maturity of deposit.

(b) In the event of death of both the joint account holders, the balance outstanding will be paid to 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.

Premature termination of Term Deposit Account

With Nomination:

(a) In the event of death of former/latter, the survivor 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 both the depositors the nominee will have right to seek premature termination of term deposit account as per the terms of contract on verification of his identity and proof of death of depositors.

Without Nomination

(a) In the event of death of former / latter depositor as the case may be premature termination of the deposit will be allowed against request from surviving depositor 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 both the joint account holders, the legal heirs (or any one of them as mandated by all the legal heirs) will have the right to seek premature termination of term deposit account as per the terms of contract on verification of authority of legal heirs and proof of death of depositors.

Note: Claim specific actions / steps to be taken for settlement in respect of different accounts / facilities are illustrated in the tabulated form in the annexure.

5. Some clarifications regarding Provisions in Nomination Rules

The Banking Companies (Nomination) Rules, 1985 have been framed in terms of Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949.

1. Deposit Accounts

(i) Nomination facility is intended only for individuals including a sole proprietary concern.

(ii) There cannot be more than one nominee in respect of single / joint deposit account.

(iii) Banks may allow variation/cancellation of a subsisting nomination by all the surviving depositor(s) acting together. This is also applicable to deposits having operating instructions "Either or Survivor".

(iv) 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.

Part IV – Simplification of the process for settlement of claims in deceased depositors' accounts

I. Documentation

Documents which are required to be submitted along with the claim form:

1. Proof of death of depositor(s) or hirer(s).
2. Proof of identification of nominee(s) wherever applicable such as Ration Card, Election ID Card, PAN Card or Passport or any other satisfactory proof of identification acceptable to the bank or proof of authority of legal heir(s) wherever applicable.

(a) Member Bank should exercise due care and caution in ascertaining the identity of the survivor(s)/nominee and the fact of death of the account holder, through appropriate documentary evidence;

(b) It should be made clear to the survivor(s)/nominee that he / they would be receiving the payment from the member bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to him / them shall not affect the right or claim which any person may have against the survivor(s)/nominee to whom the payment is made.

(c) It may be noted 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 in such cases is superfluous and unwarranted and it would only serve to cause avoidable inconvenience to the survivor(s)/nominee. In such case, therefore, while making payment to the survivor(s)/nominee of the deceased depositor, the member bank should 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, **irrespective of the amount** standing to the credit of the deceased account holder.

(d) In case where the deceased depositor had not made any nomination or for the accounts other than those styled as "either or survivor" (such as single or jointly operated accounts), **member banks may adopt a simplified procedure for repayment to legal heir(s) of the depositor keeping in view the imperative need to avoid inconvenience and undue hardship to the common person. In this context, member bank will, keeping in view its risk management systems, fix a minimum threshold limit, for the balance in the account of the deceased depositors, up to which claims in respect of the deceased depositors would be settled without insisting on production of any documentation other than a letter of indemnity.**

II. Time Norms for settlement of claims

Member Bank will settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee in case of accounts with survivor / nominee within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the member

bank's satisfaction. In the case of accounts without survivor / nominee clause the claim should be settled within 1 month from the date on which the requisite documents have been submitted.

III. Competent authority for settlement of claims :

Keeping in view the objective of settling the claims within a period not exceeding 15 days from the receipt of the claim and the risk management policy, member banks may specify clearly monetary limits for different levels of officers for settlement of claims.

IV. Premature termination of Term Deposit Accounts and payment of interest / other issues relating to Term Deposit Account

(a) In the case of term deposits, member banks are advised to incorporate a clause in the account opening form itself to the effect that in the event of the death of the depositor(s), premature termination of term deposits would be allowed. The conditions subject to which such premature withdrawal would be permitted may also be specified in the account opening form. **Such premature withdrawal would not attract any penal charge.**

(b) Payment of interest in case of term deposit accounts of deceased depositor(s)

In case of a term deposit standing in the name/s of –

- (1) a deceased individual depositor, or
- (2) two or more joint depositors, where one of the depositors has died,
interest shall be paid in the manner indicated below

(i) on the maturity of the deposit:

at the contracted rate.

(ii) In case of premature withdrawal i.e., in the event of the payment of deposit being claimed before the maturity date :

the bank will pay interest at applicable rate with reference to the period for which the deposit has remained with the bank without charging penalty.

(iii) In case of deposit being claimed after the date of maturity :

Payment of interest on matured deposits is left to the discretion of individual banks subject to their Board laying down a transparent policy in this regard.

(c) Splitting of Term Deposit

If, on request from the claimant/s, the member bank agrees to split the amount of term deposit and issues two or more receipts individually in the names of the claimant/s, it shall not be construed as premature withdrawal of the term deposit, provided the period and aggregate amount of the deposit do not undergo any change.

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

In order to avoid hardship to the survivor(s) / nominee of a deposit account, member banks may 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, member banks could consider adopting either of the following two approaches:

- The bank could be authorized by the survivor(s) / nominee of a deceased account holder to open an account styled as 'Estate of Shri _____, 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

- The bank could 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 through a negotiable instrument or through ECS transfer in the name of the appropriate beneficiary.

----- X -----

Annexure-1

Part III – Settlement of claims in various types of accounts / Facilities

1. With Nomination

Sr. No.	Nature of Account	Single Depositor	Joint A/c (operated jointly)	Joint A/c (Either or Survivor)	Joint A/c (Former / Latter or Survivor)	Joint A/c (Anyone or Survivors)
A	Savings / Current A/c	Nominee	I. On death of one depositor – Legal Heirs of deceased + survivors II. On death of all depositors - Nominee	I. On death of one depositor – Survivor II. On death of both depositors - Nominee	I. On death of Former / Latter – Survivor II. On death of both depositors Nominee	1. On death of one or more depositor/s – Survivor/s II. On death of all depositors Nominee
B.	Term Deposit Account	- do - (on maturity of deposit)	- do - (on maturity of deposit)	- do - (on maturity of deposit)	- do - (on maturity of deposit)	- do - (on maturity of deposit)
C.	Premature withdrawal of FD	- do - (As per terms of contract)	- do - (As per terms of contract)	- do - (As per terms of contract)	- do - (As per terms of contract)	- do - (As per terms of contract)

2. Without Nomination

Sr. No.	Nature of Account	Single Depositor	Joint A/c (operated jointly)	Joint A/c (Either or Survivor)	Joint A/c (Former / Latter or Survivor)	JJoint A/c (Anyone or Survivors)
A	Savings / Current A/c	Legal Heirs or person mandated by them	I. On death of one depositor – Legal Heirs of deceased + survivors II. On death of all depositors – Legal heirs of all the depositors	Survivor II. On death of both the depositors – Legal heirs of all the	Survivor II. On death of both the depositors – Legal heirs of all the	I. On death of one or more depositor/s – Legal Heirs of deceased + survivors II. On death of all depositors – Legal heirs of all the

				depositors	depositors	depositors
B.	Term Deposit Account	- do - (on maturity of deposit)	- do - (on maturity of deposit)	- do - (on maturity of deposit)	- do - (on maturity of deposit)	- do - (on maturity of deposit)
C.	Premature withdrawal of FD	- do - (As per terms of contract)	- do - (As per terms of contract)	- do - (As per terms of contract)	- do - (As per terms of contract)	- do - (As per terms of contract)

3. Illustrations on joint accounts

A. Joint Deposit Accounts (without nomination)

Deposit Account of	With survivor clause	Without survivor clause
<u>A + B</u>		
A dies	B can operate	B + Legal heirs of A
Both A + B die	Legal heirs of A + Legal heirs of B	Legal heirs of A + Legal heirs of B
<u>A + B + C</u>		
A dies	B + C can operate	B + C+ Legal heirs of A
A + B die	C can operate	C + Legal heirs of A + Legal heirs of B
A + B + C die	Legal heirs of all	Legal heirs of all

B. Joint Deposit Accounts (with nomination)

Deposit Account of	With survivor clause	Without survivor clause
<u>A + B</u>		
A dies	B can operate	B + Legal heirs of A
Both A + B die	Nominee	Nominee
<u>A + B + C</u>		
A dies	B + C can operate	B + C+ Legal heirs of A
A + B die	C can operate	C + Legal heirs of A + Legal heirs of B
A + B + C die	Nominee	Nominee

Annexure-2

Settlement of Claims in respect of Deceased Depositors

Check-list of Documents

Claims	Document obtained : Yes/No
1. Accounts with Nomination clause:	

(i) Application for Deceased Claim from Nominee/ Guardian of nominee (Annexure-3)	
(ii) Copy of Death Certificate (Verified with original)	
(iii) Identify proof (as defined in Part-IV)	
2. Joint Accounts with Either or Survivor clause:	
(i) Application for Deceased Claim from Survivor(s) (Annexure-3)	
(ii) Copy of Death Certificate (Verified with original)	
3. For cases other than Nomination/Joint Accounts with survivor clause: (For amounts up to threshold limit)	
(i) Application for Deceased Claim (Annexure –4)	
(ii) Copy of Death Certificate	
(iii) Letter of Indemnity signed by claimant(s) (Annexure –5)	
4. RECEIPT (Annexure –6)	

Annexure-3

**Application for Deceased claim
(To be used when account has nomination or is a joint account with survivor clause)**

From

To

The Branch Manager,
..... Bank
_____ Branch

Dear Sir,

Re: **Deceased Account**
Late Shri/Smt.....
Account No(s).....

I/We advise the demise of Shri/Smt. _____ on _____. He/She holds the above account(s) at your branch. The account is in the name(s) of: _____

A. In case of Nomination

I,.....son/daughter of Shri.....
.....residing at
..... am

(i) the registered nominee in the above account(s).

- (ii) the person authorized to receive payment on behalf of Master / Miss who is the nominee in the above account(s) and is a minor as on the date of this claim.

Please settle the balance in the account in the name of the nominee. I/we receive the payment as trustee(s) of the legal heirs of the deceased.

B. In the case of joint account

I/We Request you to delete the name of deceased person and continue the account in my /our name(s) with same mode of operations.

I/We submit photocopy of the following document(s) together with originals. Please return the original to us after verification.

Death Certificate issued by _____
 Identity proof (required in nomination cases) _____

Place: _____ Yours faithfully,
 Date: _____ (Claimant(s))

Annexure - 4

Application for Deceased claim

(To be used for cases other than Nomination / joint account with survivor clause)

From

To

The Branch Manager
 Bank
 _____ Branch

Dear Sir,

Re: **Deceased Account**
Late Shri/Smt.....
Account No(s).....

I/We advise the demise of Shri/Smt. _____ on _____. He/She holds the above account(s) at your branch. The account(s) is/are in the name of: _____.

I/We lodge my/our claim for the balances with accrued interest lying to the credit of the above named deceased who died intestate. I / we am / are the legal heirs of the above named deceased and lodge my/our claim for payment as per the bank's rules and discretion. The relevant information about the deceased and the legal heirs are as under.

1. Names in full of the parents of the deceased:
 Father: _____
 Mother: _____
2. Religion of the deceased: _____
3. Details of living (i) Husband (ii) Wife (iii) Children (iv) Father (v) Mother (vi) Brothers (vii) Sisters (viii) Grand Children. If Hindu Joint Family, the name and address of the Karta and Co-parceners with their respective ages.

	Full Name/Address	Occupation	Relationship with	Age
	<i>Deceased</i>			
(i)	_____	_____	_____	_____
(ii)	_____	_____	_____	_____
(iii)	_____	_____	_____	_____
(iv)	_____	_____	_____	_____
(v)	_____	_____	_____	_____
(vi)	_____	_____	_____	_____

(Annexure – 4: Page2)

4. Name or Names of the Guardian/s of the minor Children of the Depositor : _____
- (a) Whether Natural Guardian : _____
- (b) Whether Guardian appointed by a Court of Law in India. If so, attach a certified copy or duly attested copy of such Order : _____
- (c) In whose custody the Minor/Minors is / are? : _____

5. Claimant/s name/s and address in full :
- (i) _____
- (ii) _____
- (iii) _____

I/We submit the following documents. Please return the original death certificate to us after verification:

1. Death Certificate (Original + 1 photocopy) issued by: _____
2. Letter of Indemnity

We request you to pay the balance amount lying to the credit of the above named deceased toon my/our behalf.

I/We hereby solemnly affirm that the above statements are true and correct to the best of my/our knowledge and belief.

Place: _____ Yours faithfully,

Date : _____ Signature of Claimant(s)

(i) Name of Claimant	Address	Signature
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Indemnity format

(To be duly stamped as per the Stamp Act applicable to the State)

LETTER OF INDEMNITY WITH RESPECT TO PAYMENT OF BALANCE IN THE DECEASED CONSTITUENT'S ACCOUNT WITHOUT PRODUCTION OF LEGAL REPRESENTATION

To

The Branch Manager
.....Bank

IN CONSIDERATION of your paying or agreeing to pay me/us,

Insert here the 1) _____
Name(s) 2) _____
Claimants 3) _____
4) _____

The sum of Rupees _____ standing at the credit of Savings Bank/Current/R.D. Account No. etc. _____ with your bank in the name of Shri/Smt./Kum. _____

since deceased, without production of Letters of Administration or a Succession Certificate to his/her estate or a Certificate from the Controller of Estate Duly to the effect that estate duly has been paid or will be paid or none is due I/we do hereby for myself/ourselves and my/our heirs, legal representatives executors and administrators, jointly and severally UNDERTAKE AND AGREE to indemnify you and your successors and assign against all claims, demands, proceedings, losses, damages, charges and expenses which may be raised against or incurred by you by reasons or in consequence of your having agreed to pay/or paying me/us the said sum as aforesaid.

SIGNED AND DELIVERED

By the above named on this _____
Day of _____ two thousand-----

SIGNED AND DELIVERED by
the above named

1. _____ 2. _____ 3. _____
4. _____ 5. _____ 6. _____
(heirs /claimants of the deceased)

Annexure - 6

RECEIPT

Received with thanks from XXX Bank, _____ branch, a sum of Rs. _____ (Rupees _____ only) by Banker's Cheque No. _____ dated _____ in favour of _____ in full and final settlement of my/our claim as successor on the balance in _____ Account(s) No(s). _____ standing in the name of the deceased Shri/Smt./Kum. _____. I/We do not have any other claim from the Bank henceforth.3

Place:

Date:

(Signature _____ gal heirs ®
Over a revenue stamp)

DECLARATION in case funds are settled in favour of a Minor

I,----- father and natural guardian of ----- hereby certify that the proceeds of your Banker's Cheque No.----- dated----- favoring ----- issued by you in settlement of the balance in account number ----- of Late-----will be utilized for the benefit of the minor only.

Schedule I

Application for Deceased claim

(To be used when account has nomination or is a joint account with survivor clause)

From

To

The Area Manager,
Deutsche Bank AG

_____ Branch

Dear Sir,

Re: **Deceased Account**
Late Mr./Mrs./Ms.....
Account No(s).....

I/We advise the demise of Mr./Mrs./Ms. _____ on _____.
He/She holds the above account(s) at your branch. The account is in the name(s)
of: _____

C. In case of Nomination

I,.....son/daughter of
.....residing at
..... am

- (iii) the registered nominee in the above account(s).
- (iv) the person authorized to receive payment on behalf of Master / Miss
..... who is the nominee in the above account(s) and is a
minor as on the date of this claim.

Please settle the balance in the account in the name of the nominee. I/we acknowledge that I/we would be receiving the payment from the bank as a trustee of the legal heirs of the deceased depositor, i.e., such payment to me/us shall not affect the right or claim which any person may have against me/us in respect of the amount in the account(s).

D. In the case of joint account

tick as appropriate

I/We request you to delete the name of deceased person and continue the account in my /our name(s) with same mode of operations

OR

I/We request you to close the account and pay the balance to me/us.

I/We submit photocopy of the following document(s) together with originals. Please return the original to us after verification.

1. Death Certificate issued by _____
2. Identity proof (required in nomination cases) _____

Place:
Date:

Yours faithfully,

(Claimant(s))

Schedule II

Application for Deceased claim

(To be used for cases other than Nomination / joint account with survivor clause)

From

To

The Area Manager
Deutsche Bank AG

_____ Branch

Dear Sir,

Re: **Deceased Account**
Late Mr./Mrs./Ms.....
Account No(s).....

I/We advise the demise of **Mr./Mrs./Ms.** _____ on _____.
He/She holds the above account(s) at your branch. The account(s) is/are in the name of: _____.

I/We lodge my/our claim for the balances with accrued interest lying to the credit of the above named deceased who died intestate. I / we am / are the legal heirs of the above named deceased and lodge my/our claim for payment as per the bank's rules and discretion. The relevant information about the deceased and the legal heirs are as under.

1. Names in full of the parents of the deceased:

Father: _____
Mother: _____

2. Religion of the deceased: _____

3. Details of living (i) Husband (ii) Wife (iii) Children (iv) Father (v) Mother (vi) Brothers (vii) Sisters (viii) Grand Children. If Hindu Joint Family, the name and address of the Karta and Co-parceners with their respective ages.

Full Name/Address	Occupation	Relationship with	Age
<i>Deceased</i>			
(iv) _____	_____	_____	_____
(v) _____	_____	_____	_____
(vi) _____	_____	_____	_____
(iv) _____	_____	_____	_____
(v) _____	_____	_____	_____
(vi) _____	_____	_____	_____

4. Name or Names of the Guardian/s of the minor Children of the Depositor : _____
 (a) Whether Natural Guardian : _____
 (b) Whether Guardian appointed by a Court of Law in India. If so, attach a certified copy or duly attested copy of such Order : _____
 (c) In whose custody the Minor/Minors is / are? : _____

5. Claimant/s name/s and address in full :

(iv) _____
 (v) _____
 (vi) _____

I/We submit the following documents. Please return the original death certificate to us after verification:

1. Death Certificate (Original + 1 photocopy) issued by: _____
2. Letter of Indemnity
3. Identity proof of persons claiming the amount

We request you to pay the balance amount lying to the credit of the above named deceased toon my/our behalf.

I/We hereby solemnly affirm that the above statements are true and correct to the best of my/our knowledge and belief.

Place:

Yours faithfully,

Date :

Signature of Claimant(s)

(i) Name of Claimant

Address

Signature

Schedule III

Indemnity format

(To be duly stamped as per the Stamp Act applicable to the State)

LETTER OF INDEMNITY WITH RESPECT TO PAYMENT OF BALANCE IN THE DECEASED CONSTITUENT'S ACCOUNT WITHOUT PRODUCTION OF LEGAL REPRESENTATION

To

The Area Manager
Deutsche Bank
_____ Branch

IN CONSIDERATION of your paying or agreeing to pay me/us,

Insert here the Name(s) of Claimants

1) _____
2) _____
3) _____
4) _____

the sum of Rupees _____ standing at the credit of Savings Bank/Current/R.D. Account No. etc. _____ with your bank in the name of Mr./Mrs./Ms. _____ since deceased, without production of Letters of Administration or a Succession Certificate to his/her estate or a Certificate from the Controller of Estate Duly to the effect that estate duly has been paid or will be paid or none is due, I/we do hereby for myself/ourselves and my/our heirs, legal representatives executors and administrators, jointly and severally UNDERTAKE AND AGREE to indemnify you and your successors and assign against all claims, costs, demands, proceedings, losses, damages, charges and expenses which may be raised against or incurred by you by reasons or in consequence of your having agreed to pay/or paying me/us the said sum as aforesaid.

SIGNED AND DELIVERED

By the above named on this _____
Day of _____ two thousand-----

SIGNED AND DELIVERED by
the above named

1. _____	2. _____	3. _____
4. _____	5. _____	6. _____

(heirs /claimants of the deceased)