

Emirates NBD  
India  
Comprehensive Deposit Policy

## TABLE OF CONTENTS

1. PREAMBLE.....	3
2. TYPE OF ACCOUNTS.....	3
3. CIF CREATION.....	4
4. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNT.....	5
5. OPENING OF CURRENT ACCOUNTS.....	6
6. SAVINGS ACCOUNT .....	9
7. SMALL ACCOUNT .....	9
8. TERM DEPOSITS.....	9
9. FOREIGN CURRENCY ACCOUNTS THAT CAN BE HELD IN INDIA.....	13
10. ACCOUNT OPENING OF DIPLOMATIC MISSIONS/DIPLOMATIC PERSONNEL.....	18
11. ESTABLISHMENT OF BRANCH OFFICE/LIAISON OFFICE/PROJECT OFFICE IN INDIA BY FOREIGN ENTITIES.....	18
12. COMPLIANCE.....	21
13. ACCOUNT DOCUMENTATION.....	22
14. FOREIGN ACCOUNT TAX COMPLIANCE ACT(FATCA).....	24
15. COMMON REPORTING STANDARDS.....	24
16. CAPTURE OF SIGNATURE AND OTHER DETAILS.....	25
17. STANDING INSTRUCTIONS.....	26
18. NOMINATION.....	26
19. STATUS OF DEPOSIT ACCOUNTS .....	27
20. UNCLAIMED DEPOSITS/INOPERATIVE ACCOUNTS IN BANKS .....	28
21. STATEMENT OF ACCOUNT/PASSBOOK.....	30
22. EXTENSION OF ALTERNATE DELIVERY CHANNELS TO SAVINGS BANK & CURRENT DEPOSIT ACCOUNT HOLDERS.....	32
23. MINOR'S ACCOUNT .....	32
24. ACCOUNT OF ILLITERATE.....	32
25. ACCOUNT OF VISUALLY CHALLENGED PERSONS.....	33
26. ACCOUNT OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES .....	33
27. ADDITION OR DELETION OF THE NAME/SOF JOINT ACCOUNT HOLDERS.....	33
28. CUSTOMER INFORMATION.....	33
29. SECRECY OF CUSTOMER ACCOUNTS.....	33
30. DECEASED ACCOUNTS.....	33
31. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNTS.....	34
32. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT.....	34
33. INSURANCE COVER FOR DEPOSITS.....	34
34. STOP PAYMENT FACILITY.....	35
35. BLOCKED/FROZEN ACCOUNTS.....	35
36. DORMANT ACCOUNTS.....	36
37. ACCOUNTS OF TRANSGENDER PERSONS.....	36
38. ATTACHED ACCOUNTS.....	36
39. RIGHT OF SET OFF .....	38
40. ACCOUNT STATUS CHANGE FOR RESIDENT/NON-RESIDENT ACCOUNTS.....	39
41. PRIVACY AND CONFIDENTIALITY.....	39
42. REVIEW OF ACCOUNTS.....	39
43. SUSPENSION/ACTIVATION OF CIF .....	40
44. ACCOUNT CLOSURE.....	40
45. RESPONSIBILITY.....	41
46. POLICY MANDATORY INFORMATION .....	43

## **Preamble**

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interest form the key area of the regulatory framework for Banking in India and this has been enshrined in the Banking Regulation Act, 1949. The Reserve Bank of India is empowered to issue directives / advice on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time. With liberalization in the financial system and deregulation of interest rates, Banks are now free to formulate deposit products within the broad guidelines issued by RBI.

This policy document on deposits outlines the guiding principles behind formulation of various deposit products offered by the bank and terms and conditions governing the conduct of the Accounts. The document recognizes the rights of the depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

While adopting this policy, the bank reiterates its commitments to individual customers. This document is a broad framework under which the rights of common depositors are recognized.

## **Type of Accounts**

- a) Deposits accepted from customers shall be differentiated along criteria laid down by the Management who shall advise deposit taking units of the combinations of these criteria, from time to time.
- b) Criteria usually used for differentiating deposit accounts currently include:
- c) Eligibility to Deposit (as determined by the Bank / RBI)
- d) Balance requirements of deposit account
- e) Rates of interest payable or charges applicable
- f) Periodicity of interest
- g) Transacting features (limits, frequencies, cheque books, cards etc)
- h) Periods of Deposit
- i) Periods of Notice for Withdrawal
- j) Repayment or Prepayment criteria
- k) Legal constitution of depositor
- l) Naturalization or residency status of depositor

m) Variants of the basic account types are created, if permitted by RBI, by combining the above criteria which are used in the first instance, to differentiate account types.

n) The current primary basic account types are:-

- Savings Account
- Current Account
- Term Deposit Account

o) Variants of the basic classifications: -

- An account in permitted foreign currencies
- A term deposit repayable upon demand

“Bulk Deposit” means:

- i. Single Rupee term deposits of Rupees two crore and above.

All bulk rates are loaded in Finacle CBS.

“Current Account” means a form of non-interest bearing demand deposit where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount. and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit.

“Demand deposit” means a deposit received by the bank, which is withdrawable on demand.

“Savings deposit” means a form of interest-bearing demand deposit which is a deposit account whether designated as “Savings Account”, “Savings Bank Account”, “Savings Deposit Account”, “Basic Savings Bank Deposit Account (BSBDA)” or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period.

“Term deposit” means a interest bearing deposit received by the bank for a fixed period and shall also include deposits such as Recurring /Cumulative /Annuity /Reinvestment deposits and Cash Certificates.

### **CIF (Customer Information File) Creation**

- a) Unique CIF numbers will be created in the core banking system based on the information provided by the customer and the submitted documents.
- b) For opening Joint Accounts, CIF will be created for all account holders or parties to the account.
- c) For opening accounts of non-individual entities, CIF will be created for the entity and all the related parties.
- d) All customers will be screened against the bank’s blacklist database and World Check system. The

relationship with the prospective customer will not be established/continued, as applicable, if the customer's name appears in bank's blacklist database and World check system.

### **Account Opening**

- a) Prior to opening an account, criteria on 'acceptability' will be determined and account 'owners' will be identified beyond doubt.
- b) Accounts to be opened will require customer presence/verification. However, customer presence may not be required where the account opening is verified by foreign office of Emirates NBD. Contact details update for non-residents may also be allowed if the customer is verified at a Foreign office of Emirates NBD.

### **1. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNT**

The bank before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI and Prevention of Money Laundering Act and/or such other norms or procedures as per the Group Policy and Customer Acceptance Policy & Procedure of the bank.

The bank is committed to provide basic banking services to disadvantaged sections of the society. Banking services will be offered to them through Basic Savings Bank Deposit Accounts (BSBDA) and Small Savings accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.

The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/ or for record. It is expected of the bank official opening the account to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.

Customer also can avail other banking product services offered by bank from time to time like-

Debit card- Banks may issue Debit cards to customers having Saving Bank/Current Accounts of individuals.

Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.

For deposit products like Savings Bank Account and Current Deposit Account, the bank will normally stipulate certain minimum balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as specified by the bank from time to time and in line with RBI regulations and banks board approved policy. For Saving Bank Account, the Bank may also place restrictions on the number of transactions, cash withdrawals etc. during given period. Similarly, the bank may specify charges for issuance of cheque books, additional statement of accounts, duplicate passbook etc. All such details regarding terms and conditions for operation of the account and schedule of charges for various services are displayed in ENBD India website and the same is referred in the account opening form.

Savings Bank Accounts can be opened for eligible person.

## 2. Current Account

"Current Account" means a form of non-interest-bearing demand deposit where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit.

- a) No interest shall be paid on deposits held in current accounts.
- b) Provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

The Bank has formulated a separate policy in this regard the details of which are available in Policy on Settlement of Claims of Deceased Depositors..

Keeping in view the importance of credit discipline, especially for reduction in NPA level in banks, bank would make use of the information available in CRILC. Banks should verify from the data available in CRILC database whether the customer is availing of credit facility from another bank.

Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc.

The RBI issued a consolidated circular on April 19, 2022 on opening of Current Accounts and CC/OD accounts by banks with clear revised instructions as under:

### **Opening of Current Accounts for borrowers availing Credit Facilities from the Banking System.**

For borrowers availing credit facilities from banking system, current account will be opened in compliance with the guidelines as contained in the Consolidated Circular on Opening of Current Accounts and CC/OD accounts by banks vide Circular No. DOR.CRE.REC.23/21.08.008/2022-23 dated: April 19, 2022 or as amended from time to time by RBI.

The current account opened for such borrowers will be classified / scheme coded as under with restrictions as contained in the said circular.

**Current Account** – Subject to the RBI circular allowing to open such account for borrower.

**Collection Account** – Subject to meeting the guidelines contained in the RBI circular, such account will be opened with condition that only credits will be permitted in these accounts and any funds deposited in such collection account will be remitted by us within 2 working days of receipt of funds to the CC/OD account maintained by the borrower with a bank which has at least 10 percent of the aggregate exposure of the banking system to the borrower or an escrow account with such bank, as the case may be. As one-time intimation from the account holder / borrower will be taken to ascertain such CC/OD/Escrow Account.

**CC/OD Account** - Subject to meeting the guidelines contained in the RBI circular, such account will be opened and restricted for operations in accordance with the conditions stipulated in RBI guidelines, depending on whether our exposure is less than or more than 10% of the aggregate exposure of the banking system to the borrower.

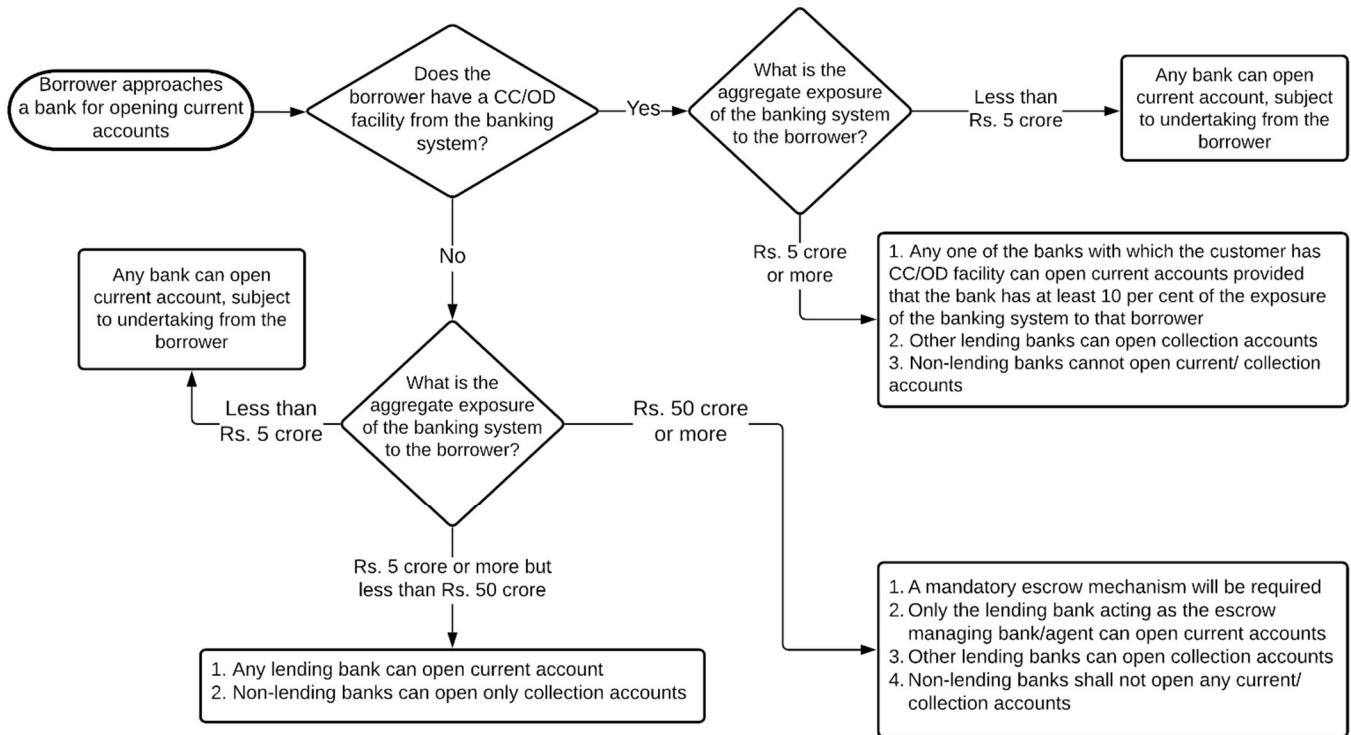
**Monitoring and Review of Current Accounts:** A half yearly review of all current accounts should be undertaken specifically with respect to the aggregate exposure of the banking system to the borrower and our banks share in that exposure to ensure compliance with the laid down guidelines of RBI. For determining the aggregate exposure of the banking system to the borrower, we will rely on information taken from CRILC where total fund based and non-fund based limits sanctioned to the borrower are reported by all banks. In case of any more information required, other sources of information such as RBI Annexure I/ Annexure II/ Lead Bank assessment note (where we are part of consortium) will be taken.

If there is any change in our banks' exposure or aggregate exposure of the banking system to the borrower found in the review, which demands implementation of new banking arrangements, such changes should be implemented within a period of three months from the date of such monitoring.



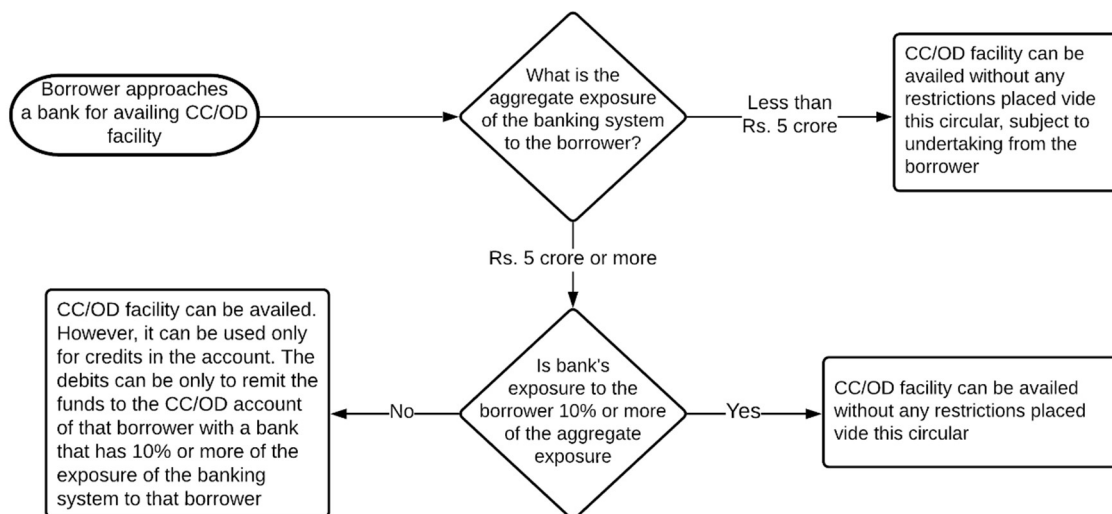
## Appendix 1

### Flow Chart – Opening of Current Accounts



## Appendix 2

### Flow Chart – Opening of Cash Credit/ Overdraft Accounts





### 3. Savings Account

"Savings deposit" means a form of interest-bearing demand deposit which is a deposit account whether designated as "Savings Account", "Savings Bank Account", "Savings Deposit Account", "" or other account by whatever name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the bank during any specified period

#### Interest Rate on domestic Saving Deposits

Interest on domestic rupee savings deposits shall be subject to the following:

Interest on domestic rupee savings deposits shall be calculated on a daily product basis as under:

- i. A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
- ii. Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.

It is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during the specified period.

### 4. Small Account

In terms of the notification issued by Government of India on December 16, 2010; the Prevention of Money Laundering (Maintenance of Records of the Nature and value of Transactions the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Customers of the Banking Companies, Financial Institutions and Intermediaries) Rules 2005 has been amended.

In terms of Rule 2 clause (fb) of the said notification "small account" means a savings account where-

- the aggregate of all credits in a financial year does not exceed rupees one lakh;
- the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand; and
- the balance at any point of time does not exceed rupees fifty thousand.

A 'small account' may be opened on the basis of a self-attested photograph and affixation of signature or thumb print.

### 5. Term Deposits –

"Term deposit" means an interest-bearing deposit received by the bank for a fixed period and shall also include deposits such as Recurring / Cumulative / Annuity / Reinvestment deposits and Cash Certificates.

"Bulk Deposit" means single Rupee term deposits of Rupees two crore and above. Differential interest rate may be offered to bulk deposit by the bank.

### **Interest Rates on domestic Term Deposits**

Interest rates on term deposits shall vary only on account of one or more of the following reasons:

#### **I. Tenor of Deposits:**

Banks shall have the freedom to determine the maturity/tenor of the deposit subject to the condition that minimum tenor of the deposit offered shall be seven days.

#### **II. Size of Deposits**

Differential interest rate shall be offered only on bulk deposits.

#### **III. Non- availability of Premature withdrawal option**

Banks shall have the freedom to offer term deposits without premature withdrawal option.

Provided that all term deposits accepted from individuals (held singly or jointly) for amount of Rupees fifteen lakh and below shall have premature-withdrawal-facility.

Term deposit interest rates are decided by the bank within the general guidelines issued by the Reserve Bank of India from time to time. In terms of RBI directives, Interest is calculated at quarterly intervals on term deposits and paid at the rate decided by the bank depending upon the period of deposits. Interest on deposits repayable for less than 6 months or where the terminal quarter is incomplete, interest shall be paid proportionately for the actual number of days reckoning the year at 365 days. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value.

Staff of the bank is provided an additional interest rate of 1% on term deposits and savings bank account.

The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to deposit schemes and other related services and shall be prominently displayed.

The bank has statutory obligation to deduct tax at source if total interest paid/ payable on all term deposits held by a person exceed the amount specified under the Income Tax Act. The bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the time of placing deposit with the bank and also at the beginning of every financial year.

### **1. PREMATURE RENEWAL OF TERM DEPOSIT**

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the bank will be

paid at the rate applicable on the date of deposit to the period for which the deposit remained with the bank and not at the contracted rate. Further, the bank may levy penalty for pre-mature closure of an existing deposit at such rates as may be decided by the bank from time to time.

## **2. RENEWAL OF TERM DEPOSITS**

Depositors can give instructions at the time of opening the account for payment of maturity proceeds to their accounts or by Demand draft or for renewal of the deposit for the period of their choice. In the absence of any instructions from customer, the bank will renew the deposit on due date for the same period for which the matured deposit was placed. If request for renewal is received after the date of maturity, such deposits will be renewed with effect from the date of maturity at interest rate applicable as on due date, provided such request is received within 14 days from the date of maturity. In respect of request received after 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by Bank from time to time. If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

## **3. ADVANCES AGAINST DEPOSITS**

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents. The Bank may also consider loan against deposit standing in the name of minor, however, a suitable declaration stating that loan is for the benefit of the minor, is to be furnished by the depositor - applicant.

### **Payment of Interest on pre-mature withdrawal:**

The interest rates applicable on term deposits withdrawn before the maturity date shall be as under:

Interest shall be paid at the rate applicable to the amount and period for which the deposit remained with the bank and not at the contracted rate. The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit.

No interest shall be paid, where premature withdrawal of deposits takes place before completion of the minimum period specified in tenor of deposit.

Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership etc.

The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction (if required) of the prospective depositor from a person acceptable to the bank and obtaining recent photograph of the person/s opening/operating the account are part of due diligence process.

In addition to the due diligence requirements, under KYC norms, the bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules. As per Form 60 annexure, the relevant documents also to be obtained.

Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names (known as Joint Account).

Operation of Joint Account – The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified with the consent of all account holders. The Savings Bank Account opened by minor jointly with natural guardian/guardian can be operated by such guardian only.

The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

**Either or Survivor:** if the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to either of account holders i.e. A or B, on date of maturity or to the survivor on death of any one of the account holders.

**Anyone or Survivor:** If the account is in the name of two or more individuals say, A, B & C, the final balance along with interest if applicable, will be paid to any of account holders i.e. A or B or C, on the date of maturity.

On the death of any one of account holder say A, the final balance along with interest if applicable, will be paid to any two of the surviving account holders i.e., B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving account holder i.e., C.

**Former or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the former i.e. A on date of maturity and to the survivor on death of anyone of the account holders.

**Later or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the latter i.e. B on date of maturity and to the survivor on death of anyone of the account holders.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.

Now if the joint depositors prefer premature withdrawal of deposits in accordance with the mandate of 'Either or Survivor', 'Anyone or Survivor' or 'Former or Survivor', bank may allow premature withdrawal of term deposits to the surviving depositor/s without seeking concurrence of legal heirs of the deceased deposit holder, provided all the depositors have given a specific joint mandate for the said purpose at the time of opening the account or any time subsequently during the tenure of the deposit.

At the request of the depositor, the bank will register mandate/power of attorney given by him authorizing another person to operate the account on his behalf.

The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.

In case of absence of any instruction's deposits will be treated as an auto renewal deposit and would be renewed for a similar period as that of matured deposit.

Nomination facility is available on all deposit accounts opened by individuals. Nomination is also available to an account opened by a sole proprietor. Nomination can be made in favor of one individual only. Nomination so made can be cancelled or changed by the account holder/s any time. While making a nomination, cancellation or change thereof, it is required to be witnessed by a third party if the account holder is illiterate. Nomination can be modified by the consent of account holder/s. Nomination can be made in favor of a minor also. In such cases at the time of making nomination, depositor has to give a name of person (called appointee) who is a major and will receive the amount of deposit on behalf of the nominee in the event of death of the account holder during the minority of the nominee.

Bank recommends that all depositors avail of the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of the legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

A statement of account will be provided by the bank to Savings Bank as well as Current Account holders at their registered email ID. Pass book facility will be provided to the account holders who are specifically requesting for it.

## **6. Foreign Currency Accounts that can be held in India:**

### **Resident Indians/Entities can open the below bank accounts in India:**

#### **1. Exchange Earner's Foreign Currency (EEFC) Account - EEFC Account**

Exchange Earners' Foreign Currency Account (EEFC) is an account maintained in foreign currency with bank authorized to deal in foreign exchange. It is a facility provided to the foreign exchange earners, including exporters, to credit 100 per cent of their foreign exchange earnings to the account, so that the account holders do not have to convert foreign exchange into Rupees and vice versa, thereby minimizing the transaction costs. All categories of foreign exchange earners, such as individuals, companies, etc., who are resident in India, may open EEFC accounts. EEFC account can be held only in the form of a current account and no interest is payable on EEFC accounts. 100% of the foreign exchange earnings can be credited to the EEFC account subject to the condition that the sum total of the accruals in the account during a calendar month should be utilized/converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or any forward commitments.

#### **Permissible Credits to EEFC accounts are as below:**

- 100 percent of the foreign exchange earnings by way of inward remittance through normal banking channel, (other than loans or investments);
- payments received for the purpose of counter trade.
- advance remittance received by an exporter towards export of goods or services.
- professional earnings including director's fees, consultancy fees, lecture fees, honorarium and similar other earnings received by a professional by rendering services in his individual capacity.
- Re-credit of unutilized foreign currency earlier withdrawn from the account;
- repayment of trade related loans / advances (which were granted to the account holder's importer customer out of balances held in the EEFC accounts);
- disinvestment proceeds received by the resident account holder on conversion of shares held by him to ADRs / GDRs under the 7DR Scheme, 2014; and
- Payments received in foreign exchange by an Indian startup arising out of sales / export made by the startup or its overseas subsidiaries.

Permissible debits to EEFC accounts are as below:

- 1) Any permissible current or capital account transaction
- 2) Cost of goods purchased
- 3) Customs duty
- 4) Trade related loans and advances

Exporters can repay packing credit advances, whether availed of in Rupee or in foreign currency, from balances in their EEFC account to the extent exports have actually taken place.

Balances held in the account may be credited to NRE / FCNR (B) Accounts, at the option / request of the account holder's consequent upon change of their residential status from resident to non-resident. Resident Foreign Currency (RFC) Account - RFC Account

## **2. Resident Foreign Currency (RFC) Account - RFC Account**

NRI customers who have returned back to India can open an RFC account with our bank out of foreign exchange received or acquired by them such as:

- 1) Foreign exchange received by him as superannuation/ other monetary benefits from overseas employer
- 2) Foreign exchange realised on conversion of the assets referred to in Sec 6(4) of FEMA
- 3) Gift/ inheritance received from a person referred to in Sec 6(4) of FEMA
- 4) Foreign exchange acquired before the July 8, 1947 or any income arising on it held outside India with RBI permission
- 6) Foreign exchange received as earnings of LIC claims/ maturity/ surrendered value settled in forex from an Indian insurance company
- 7) Balances in NRE/ FCNR (B) accounts on change in residential status

## **3. Resident Foreign Currency (Domestic) Account - RFC (D) Account**

A resident individual may open an RFC(D) account to retain in a bank account in India the foreign exchange acquired in the form of currency notes, bank notes and traveler's cheques from overseas sources such as:

- 1) Foreign exchange received as payment/ service/ gift/ honorarium while on visit abroad or from a non-resident who is on a visit to India
- 2) Unspent amount of foreign exchange acquired from AD for travel abroad
- 3) Gift from close relative
- 4) Earning through export of goods/ services, royalty
- 5) Disinvestment proceed on conversion of shares into ADR/ GDR
- 6) foreign exchange received as earnings of LIC claims/ maturity/ surrendered value settled in forex from an Indian insurance company.

#### 4. Diamond Dollar Account (DDA) Scheme - DDA Account

Firms and companies which comply with the eligibility criteria stipulated in the Foreign Trade Policy of the Government of India may open DDA accounts, details of which are laid down in Schedule II of FEMA 10(R), as amended from time to time, with an AD in India.

The salient features of the Scheme are:

- a) Realisation of export proceeds and local sales (in USD) of rough, cut, polished diamonds; and pre and post shipment finance availed in USD can be credited to such account. Payments for purchase of rough, cut and polished diamonds can be made from DDA account. Funds can also be transferred to rupee account of the exporter.
- b) The account should be maintained in the form of a non-interest-bearing current account.
- c) The sum total of the accruals in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.
- d) Bank will check with customer (and obtain declaration from the customer) and ensure that no more than 5 DD accounts are opened across all banks.

#### 5. Non-Resident Indians can open/hold/maintain the below bank accounts in India: Non-Resident (External) Rupee Account Scheme - (NRE Account):

- a) Non-resident Indians (NRIs) and Person of Indian Origin (PIOs) are permitted to open and maintain these accounts with banks (including cooperative banks) authorised by the Reserve Bank to maintain such accounts.
- b) The accounts may be maintained in any form, e.g., savings, current, recurring or fixed deposit account etc.
- c) Joint accounts can be opened by two or more NRIs and / or PIOs or by an NRI / PIO with a resident relative(s) on 'former or survivor' basis. However, during the lifetime of the NRI / PIO account holder, the resident relative can operate the account only as a Power of Attorney holder.
- d) Inward remittances to the account and remittances outside India from NRE account are permitted.
- e) Credits permitted to this account as inward remittance are interest accruing on the account, interest on investment, transfer from other NRE / FCNR(B) accounts, maturity proceeds if such investments were made from this account or through inward remittance.
- f) The debits allowed from this account are local disbursements, transfer to other NRE / FCNR(B) and investments in India.
- g) Current income like rent, dividend, pension, interest etc. will be construed as a permissible credit to



the NRE account provided the bank is satisfied that the credit represents current income of the NRI / PIO account holder and income tax thereon has been deducted / paid / provided for, as the case may be.

- h) NRE accounts should be designated as resident accounts or the funds held in these accounts may be transferred to the RFC accounts, at the option of the account holder, immediately upon the return of the account holder to India for taking up employment or on change in the residential status. In the event of the demise of an account holder, balances in the account can be transferred to the non-resident nominee of the deceased account holder. However, request from a resident nominee for remittance of funds outside India for meeting the liabilities, if any, of the deceased account holder or for similar other purposes, should be forwarded to the Reserve Bank for consideration.
  
- i) Operations on an NRE account may be allowed in terms of Power of Attorney or other authority granted in favour of a resident by the non-resident account holder, provided such operations are restricted to withdrawals for local payments or remittance to the account holder himself through banking channels. In cases where the account holder or a bank designated by him is eligible to make investments in India, the Power of Attorney holder may be permitted to operate the account to facilitate such investment. The resident Power of Attorney holder is not allowed to
  - (i) open a NRE account;
  - (ii) repatriate outside India funds held in the account other than to the account holder himself.
  - (iii) make payment by way of gift to a resident on behalf of the account holder.
  - (iv) transfer funds from the account to another NRE account.
  
- j) Income from interest on balances standing to the credit of NRE Accounts is exempt from Income Tax. Likewise, balances held in such accounts are exempt from wealth tax.
  
- k) The rate of interest and tenor applicable to these accounts will be in accordance with the directions / instructions issued by the Department of Banking Regulations, Reserve Bank of India.

#### **6. Foreign Currency (Non-resident) Account (Banks) Scheme - FCNR (B) Account**

- a) Non-resident Indians (NRIs) and Persons of Indian Origin (PIOs) are permitted to open and maintain these accounts with banks authorised by the Reserve Bank to maintain such accounts. Deposits may be accepted in any permissible currency.
- b) The accounts can be maintained only in the form of fixed deposit.
- c) Other conditions such as credits / debits, joint accounts, loans / overdrafts, operation by power of attorney etc., as applicable to an NRE account will be applicable to FCNR (B) account as well.
- d) The rate of interest and tenor applicable to these accounts will be in accordance with the directions /

instructions issued by the Department of Regulation, Reserve Bank of India.

## 7. Non-Resident (Ordinary) Account Scheme - NRO account

- a) Any person resident outside India may open and maintain NRO account with Bank for the purpose of putting through bona fide transactions denominated in Indian Rupees.
- b) NRO (current / savings) account can be opened by a foreign national of non-Indian origin visiting India, with funds remitted from outside India through banking channel or by sale of foreign exchange brought by him to India. The balance in the NRO account may be paid to the account holder at the time of his departure from India provided the account has been maintained for a period not exceeding six months and the account has not been credited with any local funds, other than interest accrued thereon.
- c) Opening of accounts by individuals / entities of Pakistan nationality / ownership and entities of Bangladesh ownership requires prior approval of the Reserve Bank. However, individuals of Bangladesh nationality may be allowed to open these accounts subject to the individual/s holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO) / Foreigner Regional Registration Office (FRRO) concerned. We do not open any accounts of Pakistan nationals.
- d) The accounts may be maintained in any form, e.g. savings, current, or fixed deposit account.
- e) The accounts may be held jointly with residents on 'former of survivor' basis. NRIs and PIOs may hold an NRO account jointly with other NRIs and PIOs.
- f) Inward remittances from outside India, legitimate dues in India and transfers from other NRO accounts are permissible credits to NRO account. Rupee gift / loan made by a resident to a NRI / PIO relative within the limits prescribed under the Liberalised Remittance Scheme may be credited to the latter's NRO account.
- g) The account can be debited for the purpose of local payments, transfers to other NRO accounts or remittance of current income abroad. Apart from these, balances in the NRO account cannot be repatriated abroad except by NRIs and PIOs up to USD 1 million, subject to conditions specified in Foreign Exchange Management (Remittance of Assets) Regulations, 2016. Funds can be transferred to NRE account within this USD 1 Million facility.
- h) NRO accounts may be designated as resident accounts on the return of the account holder to India for any purpose indicating his intention to stay in India for an uncertain period. Likewise, when a resident Indian becomes a person resident outside India, his existing resident account should be designated as NRO account.
- i) Powers have been delegated to the authorised banks to allow operations on an NRO account in terms of a Power of Attorney granted in favour of a resident by the non-resident individual account holder provided such operations are restricted to local payments and remittances to non-residents.

- j) To facilitate the foreign nationals to collect their pending dues in India, banks may permit such foreign nationals to re-designate their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their pending bona fide dues, subject to the bank satisfying itself that the credit of amounts are bona fide dues of the account holder when she / he was a resident in India. The funds credited to the NRO account should be repatriated abroad immediately, subject to payment of the applicable income tax and other taxes in India. The amount repatriated abroad should not exceed USD one million per financial year. The debit to the account should be only for the purpose of repatriation to the account holder's account maintained abroad. The account should be closed immediately after all the dues have been received and repatriated as per the declaration made by the account holder when the account was designated as an NRO account.

## **7. Account Opening of Diplomatic missions/Diplomatic Personnel**

- a. Foreign diplomatic missions & diplomatic personnel and their family members in India may open rupee deposits with our bank.
- b. Diplomatic missions, diplomatic personnel and non-diplomatic staff, who are the nationals of the concerned foreign countries and hold official passport of foreign embassies in India can open foreign currency accounts in India.
- c. The account may be held in the form of current or term deposit account, and in the case of diplomatic personnel and non-diplomatic staff, may also be held in the form of savings account.
- d. The permissible credits to the account will be inward remittances received from outside India through banking channels; and transfer of funds, from the rupee account of the diplomatic mission in India, which are collected in India as visa fees and credited to such account.
- e. Funds held in such account if converted in rupees shall not be converted back into foreign currency.
- f. The funds in the account may be repatriated outside India without the approval of Reserve Bank.
- g. The rate of interest on savings or term deposits shall be such as may be determined by the bank and it will be similar to other type of customers.

## **8. Establishment of Branch Office/Liaison Office/Project Office in India by foreign entities**

### **1. General criteria**

- a. A foreign entity which is incorporated outside India which includes a firm or other association of individuals can establish a BO/LO/PO in India with prior approval from the Reserve Bank of India which has to be forwarded by Bank to the General Manager, Reserve Bank of India, Central Office Cell, Foreign Exchange Department, 6, Sansad Marg, New Delhi 110 002 who shall process the applications in consultation with the Government of India, in the following cases:
  - b. The applicant is a citizen of or is registered /incorporated in Pakistan.
  - c. The applicant is a citizen of or is registered/incorporated in Bangladesh, Sri Lanka, Afghanistan, Iran, China, Hong Kong or Macau and the application is for opening a

BO/LO/PO in Jammu and Kashmir, Northeast region and Andaman and Nicobar islands; However we do not open any accounts for Pakistan and Iran nationals.

- d. The principal business of the applicant falls in the four sectors namely – Defence, Telecom, Private Security and Information and Broadcasting. However, prior approval of Reserve Bank of India shall not be required in cases where government approval or license/permission by the concerned ministry/regulator has already been granted. In case of opening a PO relating to defence sector, no separate approval of Government of India is required if the said non-resident applicant has been awarded a contract by/entered into an agreement with Ministry of Defence or Service Headquarters or Defence Public sector Undertakings. The term “permission” used in the Government of India Notification dated January 21, 2019 does not include general permission, if any, available under Foreign Direct Investment in the automatic route, in respect of the above four sectors.
- e. The applicant is a Non-Government Organisation (NGO), Non-Profit Organisation, Body/ Agency/ Department of a foreign government. However, if such entity is engaged, partly or wholly, in any of the activities covered under Foreign Contribution (Regulation) Act, 2010 (FCRA), they shall obtain a certificate of registration under the said Act and shall not seek permission under FEMA 22(R)3.

A non-resident entity applying for a BO/LO in India should have a financially sound track record viz:

- a. For Branch Office – it should have a profit-making track record during the immediately preceding five financial years in its home country and a net worth of not less than USD 100,000 or its equivalent. Net Worth [total of paid-up capital and free reserves, less intangible assets as per the latest Audited Balance Sheet or Account Statement certified by a Certified Public Accountant or any Registered Accounts Practitioner by whatever name called].
- b. For Liaison Office – it should have a profit-making track record during the immediately preceding three financial years in the home country and net worth of not less than USD 50,000 or its equivalent.

An applicant that is not financially sound and is a subsidiary of another company may submit a Letter of Comfort (LOC) (Annex A) from its parent/ group company, subject to the condition that the parent/ group company satisfies the prescribed criteria for net worth and profit.

### **Opening of bank account by BO/LO/PO:**

It should be noted that an LO shall not maintain more than one bank account at any given time without the prior permission of Reserve Bank of India. The permitted Credits and Debits to the account shall be:

**a. Credits**

1. Funds received from Head Office through normal banking channels for meeting the expenses of the office.
2. Refund of security deposits paid from LO's account or directly by the Head Office through normal banking channels.
3. Refund of taxes, duties etc., received from tax authorities, paid from LO's bank account.
4. Sale proceeds of assets of the LO.

**b. Debits**

Only for meeting the local expenses of the office

Bank may allow term deposit account for a period not exceeding 6 months in favour of a BO/LO/PO of a person resident outside India provided the bank is satisfied that the term deposit is out of temporary surplus funds and the BO/LO/PO furnishes an undertaking that the maturity proceeds of the term deposit will be utilised for their business in India within 3 months of maturity. However, such facility may not be extended to shipping/airline companies.

- i. All Credits to the BO account should represent the funds received from Head Office through normal banking channels for meeting the expenses of the office and any legitimate receivables arising in the process of its business operations. Debits to this account shall be for the expenses incurred by the BO and towards remittance of profit/winding up proceeds.
- ii. Any foreign entity except an entity from Pakistan who has been awarded a contract for a project by the Government authority/Public Sector Undertakings or are permitted by the AD bank to operate in India may open a bank account without any prior approval of the Reserve Bank. An entity from Pakistan shall need prior approval of Reserve Bank of India to open a bank account for its project office in India
- iii. Bank can open non-interest-bearing foreign currency account for POs in India subject to the following:
  - a. The PO has been established in India, with the general / specific permission of Reserve Bank of India, having the requisite approval from the concerned Project Sanctioning Authority concerned as per these Regulations.
  - b. The contract governing the project specifically provides for payment in foreign currency.
  - c. Each PO can open two foreign currency accounts, usually one denominated in USD and other in home currency of the project awardee, provided both are maintained with the same bank.
  - d. The permissible debits to the account shall be payment of project related expenditure and credits shall be foreign currency receipts from the Project Sanctioning Authority and remittances from parent/group company abroad or bilateral / multilateral international financing agency.

Annual Activity Certificate by BO/LO/PO

- i. Annual Activity Certificate (AAC) as at the end of March 31 every year along with the required documents needs to be submitted by the following:
  - a. In case of a sole BO/ LO/PO, by the BO/LO/PO concerned.
  - b. In case of multiple BOs / LOs, a combined AAC in respect of all the offices in India by the nodal office of the BOs / LOs.

The LO/BO has to submit the AAC to the bank as well as Director General of Income Tax (International Taxation), New Delhi whereas the PO needs to submit the AAC only to the bank every year.

Bank shall scrutinize the AACs to ensure that the activities undertaken by the BO/LO are being carried out in accordance with the terms and conditions of the approval given. In the event of any adverse findings reported by the auditor or noticed by us, the same should immediately be reported to the General Manager, Reserve Bank of India, CO Cell, New Delhi, along with the copy of the AAC and their comments thereon.

### **Extension of validity period of the approval of LO and PO**

- i. LOs should submit a request for extension of time before the expiry of the validity of the approval, to the bank and it may extend the validity period of LO/s for a period of 3 years from the date of expiry of the original approval/extension granted if the applicant has complied with the following conditions and the application is otherwise in order:
  - a. The LO should have submitted the Annual Activity Certificates for the previous years and
  - b. The account of the LO maintained with the bank is being operated in accordance with the terms and conditions stipulated in the approval letter.

Extension has to be granted by the bank on priority and in any case not later than one month from the receipt of the request under intimation to the General Manager, Reserve Bank of India, CO Cell, New Delhi quoting the reference number of the original approval letter and the UIN.

Reserve Bank shall update the information on its website immediately.

- ii. Entities which are engaged in construction and development sectors and Non-Banking Finance Companies are permitted to open a liaison office for two years only. No further extension would be considered for liaison offices of entities which are Non-Banking Finance Companies and those engaged in construction and development sectors (excluding infrastructure development companies). Upon expiry of the validity period, the offices shall have to either close down or be converted into a Joint Venture / Wholly Owned Subsidiary in conformity with the extant Foreign Direct Investment policy.

## **9. Compliance**

- Deposits will be accepted in line with the regulatory framework prevailing in the area of operation of the branch.
- All staff dealing with deposits must be aware of the statutory and regulatory environment governing deposits and account operation at the location of acceptance and are obliged personally to report any unusual/suspicious transaction aiming at money laundering to compliance. Specific responsibility for compliance shall rest with the official approving the transaction. Overall responsibility for compliance shall rest with the Business Unit Head.

- Clearances from the compliance angle should be obtained, where required through the Bank's Compliance monitoring structures.. Reporting of suspicious transactions to relevant regulatory authorities shall be routed through compliance.
- Key areas of compliance in deposit accounts pertain usually to the depositor meeting the:
  - residency requirements
  - proof of identity and proof of address
  - citizenship criteria
  - forms of legally acceptable constitution
  - contracting capacity criteria
  - literacy criteria legitimacy of source of deposits criteria acceptability of personal or corporate's antecedents.

#### **10. Account Documentation:**

The opening of accounts and accepting deposits shall be supported by:

- An account opening form from the depositor constituting an offer to deposit.
- Standard form contract documents of the Bank detailing the terms and conditions upon which the deposits are accepted, and the accounts transacted on. These should as far as possible be taken once, while establishing the relationship.
- Proving documents that enable various compliance and prudential requirements to be met.
- These documents shall be comprehensive, protective of the bank's and the customer's legitimate interests, and be cleared by legal professionals operating in the relevant regulatory jurisdiction.
- The terms and conditions will be made readily available to the customers of the service and provide for:
  - A fair and balanced description of the relationship between the customer and the Bank in a language understood by the customer.
  - The use of plain language consistent with the need for legal certainty.
  - Information on fees, charges, penalties, relevant interest rates and the basis of their determination and the customer's obligations and liabilities in use of the service.
- An acknowledgement by the customer of having read and understood the same.



- A period of notice (and exceptions thereto) before effecting changes that affect the customer's obligations, liabilities or product features, giving them the right to accept and continue the relationship or reject and discontinue the relationship.
- Proactive application of changes as far as possible, retroactive amendments being instituted only to meet compliance requirements or extenuating circumstances.
- The treatment of personal information supplied by the customer in a manner consistent with their desire for privacy.
- Clarity on the statutory, regulatory and dispute resolving jurisdiction.
- Disposal instructions for the deposits and accrual thereon, where necessary.
- Disposal instructions for transaction records, where necessary.
- Bankers General Lien.

Clauses authorizing the following to be specifically included, where required.

- Reserving, to the bank, the right to vary interest payable from time to time on notice and call deposits, without prior notice to the depositor.
- The automatic renewal, for a similar period at prevailing terms at maturity, of principal and interest due on a term deposit, in the absence of customer instructions to the contrary. Methods by and periods for which the Bank is legally obliged to maintain records of transactions.
- Clear signing and ownership authorities of the depositors.
- A disclaimer regarding funds in or deposits made into joint accounts, which shall be deemed by the bank to be jointly owned.
- Proving documents deal with customer identification, authority, legal and contracting status, residency, citizenship, nature of business, income levels etc and shall be obtained at commencement of relationship or upon change in customer status. Proving documents shall be verified against the originals and the verification evidenced. Proving documents related to transactions may also be sought to confirm legitimacy of the transaction. Proving documents, especially for business accounts, must be diarized for periodical review to confirm their ongoing validity in line with the RBI guidelines.
- Documents authorizing individual transactions or ongoing operations on the account shall usually be accepted only in writing. However, those received by electronic means may be acted upon, subject to the prior and valid indemnification of the Bank by the customer against all consequences of misuse, malfeasance and fraud arising from the above.

- Documentation shall be reviewed whenever changes occur to the regulatory and statutory framework, revised if necessary and changes communicated quickly to affected business units.
- Any subsequent changes in the information provided on account holders shall be updated regularly.
- Documents shall, as far as possible, be executed on the bank's standard formats. Documents executed on non-standard formats and notarized shall be subject to scrutiny for acceptability from the legal angle.
- Documents authorizing third party use of account shall be clear, unambiguous and signed by all the principals or by mandate holders specifically authorized to further delegate. Documents authorizing single or third party operations in joint accounts shall be signed by all the signatories to the account.
- Documents shall be completed and obtained prior to commencement of relationship.
- Documents of contract and related proofs shall be treated as primary documents and stored under secure, fire-resistant conditions as specified under the bank's Safety and Security policy to be checked
- All original documents will be sighted, and photocopy certified by the relevant bank official who sights the original documents. Additionally, the customer will also self- attest each of the document copy with date and purpose noted on the same.
- All account opening documents and subsequent addition/ maintenance request from customer will be scanned and archived in the applicable document storage system. Access can be provided to view all "Active" account documents upon approval from the authorized official.

#### **11. Foreign Account Tax Compliance Act (FATCA)**

"FATCA" means Foreign Account Tax Compliance Act of the United States of America (USA) which, inter alia, requires foreign financial institutions to report about financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest.

Foreign Account Tax Compliance Act (FATCA) was enacted to prevent U.S. taxpayers who hold financial assets in non-US financial institutions from avoiding their U.S. tax obligations. Banks and Foreign Financial Institutions (FFIs) are required to with US Internal Revenue Services and obtain a Global Intermediary Identification Number (GIIN).

FATCA requires Banks and other FFIs to identify and report information about financial accounts held by Specified U.S. Persons (Individuals & Entities).

#### **12. Common Reporting Standard (CRS)**

“Common Reporting Standards” (CRS) means reporting standards set for implementation of multilateral agreement signed to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters.

Under the CRS, we are required to determine where customer are ‘tax resident’ (this will usually be where customer are liable to pay taxes). If customer are tax resident outside the country where customer account is held, we may need to give the national tax authority this information, along with information relating to customer accounts. That may then be shared between different countries tax authorities.

The self-declaration form for FATCA and CRS would be part of the part of the account opening form both for individuals and entities at time of opening of the account.

Completing this self-declaration form will ensure that the Bank’s hold accurate and up to date information about customer tax residency. If in customer circumstances change and any of the information provided in this form become incorrect, then receive an updated self-certification from the customer.

Under FATCA and CRS, the Bank shall determine whether they are a Reporting Financial Institution as defined in Income Tax Rule 114F and if so, submit online reports by using the digital signature of the ‘Designated Director’ by either uploading the Form 61B or ‘NIL’ report, for which, the schema prepared by Central Board of Direct Taxes (CBDT) shall be referred to.

### **13. Capture of Signature and other details (including photo)**

- Signatures of all account holders shall be obtained on the Bank's standard form. Signatures shall be in black or dark blue inks only and made in a manner that permits clear imaging.
- Photo shall be recent colored photograph.
- Completed forms and their movements shall be secured against misuse. They shall be stored under fire resistant conditions under designated control when not in use.
- Capturing and maintenance of customer signatures of all branches will be centralized at SIGCAP Centre to enable branches to verify signatures, irrespective of where the customer is holding his account.
- In addition to opening and closing of accounts, amendments to the signature database may be triggered by
- Additions or deletions to the mandate holders list
- Changes to signature styles of mandate holders

- Death of mandate holders
- Signature databases shall also be acted upon to reflect account status such as
- Identification as a dormant account
- Reactivation to normal status
- A designated official will be responsible for ensuring customer signatures and details (including photo) are captured into the main data base as per the original source documents received from branches.

#### **14. Standing Instructions**

- Standing Instructions (SIs), for the purpose of this section of the policy, are instructions given to the Bank for the executing of payments/transfers/ remittances at periodic intervals.
- SIs may be accepted on behalf of customers or for internal purposes.
- SIs may be accepted from Current, and Savings account holders of the Bank in any one of the following forms.
  1. Letter
  2. Bank standard form
  3. SIs may also be set up on behalf of the Bank for internal purposes. In these cases, the letter/Form should be signed by authorized official.
  4. SIs may also be accepted through online banking.
  5. SIs that cannot be executed on three successive occasions due to lack of funds in accounts must be cancelled. However, the clause may not be applicable to standing orders set up for payment of loan installments and relevant loan policy to be referred for respective provisions.

#### **15. Nomination**

- Nomination facility shall be available on all deposit account including joint accounts opened by individuals and sole proprietorship concern. Nomination shall be made in favour of one individual only. Nomination may be cancelled or changed by the account holder/s any time. While making nomination, cancellation or change thereof, the same shall be witnessed by a third party, if such mandate is given under thumb impression/s. Signatures of the account holders need not be attested by witnesses. Nomination can be made in favour of a minor.
- On receipt of nomination requests, the bank will acknowledge receipt of nomination/change in nomination/cancellation of nomination and register the nomination (including changes and

cancellation) in the bank's record. It would also be

properly noted down in the Saving Bank's Pass Books/Statement of Account/Term Deposit Receipts.

- The nominee in the event of death of the depositor/s would receive the balance outstanding in the accounts as a trustee of the legal heirs. In case of a joint deposit account, in the event of the death of one of the joint account holders, the right to the deposit proceeds will not automatically devolve on the surviving joint deposit account holder, unless there is a survivorship clause. Further, the nominee/s right would arise only after the death of all the depositor/s.
- A separate nomination would be necessary for Saving Bank Account and Saving Bank Account opened for credit of pension amount.

## 16. **Status of Deposit Accounts**

- a) The Bank may need to differentiate between the status of the account / customer from time to time due to legal, regulatory or administrative requirements. A change in account / customer status reflects the restrictions placed on transactions permitted on the account and may also indicate a potential change in ownership / type of the deposit. The Bank may, subject to certain limitations, exercise a right to set off monies owed by the depositor, prior to effecting the change of ownership.
- b) The common indicators of account / customer status, apart from the normal active status are:

### 1. **Account Status**

- Dormant
- Deceased
- Blocked
- Attached or Garnished
- Under lien

### 2. **Customer status**

- Minor to Major
- Resident to Non-Resident Account or vice versa.
- Regular Citizen to Senior Citizen

- c) Access to such accounts and/or related control documentation (AOD, Specimen Signatures etc.) shall be restricted and controlled.
- d) Authorizations for changing or reversing changes to account status shall be approved by the Branch Manager/business head or his delegate. Accounts shall be suitably flagged (in the system) upon fulfillment of the required conditions.

**17. Unclaimed Deposits / Inoperative Accounts in banks**

- a) Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.
- b) The following instructions detailed below while dealing with inoperative accounts:
  - (i) Banks should make an annual review of accounts in which there are no operations (i.e., no credit or debit other than crediting of periodic interest or debiting of service charges) for more than one year. The banks may approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. In case the non-operation in the account is due to shifting of the customers from the locality, they may be asked to provide the details of the new bank accounts to which the balance in the existing account could be transferred.
  - (ii) If the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased.
  - (iii) In case the whereabouts of the customers are not traceable, banks should consider contacting the persons who had introduced the account holder. They could also consider contacting the employer / or any other person whose details are available with them. They could also consider contacting the account holder telephonically in case his Telephone number / Cell number has been furnished to the bank. In case of Non Resident accounts, the bank may also contact the account holders through e-mail and obtain their confirmation of the details of the account.
  - (iv) A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of two years.
  - (v) In case any reply is given by the account holder giving the reasons for not operating the account, banks should continue classifying the same as an operative account for one more year within which period the account holder may be requested to operate the account. However, in case the account holder still does not operate the same during the extended period, banks should classify

the same as inoperative account after the expiry of the extended period.

(vi) For the purpose of classifying an account as 'inoperative' both the type of transactions i.e., debit as well as credit transactions induced at the instance of customers as well as third party should be considered. However, the service charges levied by the bank or interest credited by the bank should not be considered.

(vii) There may be instances where the customer has given a mandate for crediting the interest on Fixed Deposit account and/or crediting dividend on shares to the Savings Bank account and there are no other operations in the Savings Bank account. Since the interest on Fixed Deposit account and/or dividend on shares is credited to the Savings Bank accounts as per the mandate of the customer, the same should be treated as a customer induced transaction.

(viii) As such, the account should be treated as operative account as long as the interest on Fixed Deposit account and/or dividend on shares is credited to the Savings Bank account. The Savings Bank account can be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account and/or dividend on shares, whichever is later, provided there is no other customer induced transaction.

(ix) Further, the segregation of the inoperative accounts is from the point of view of reducing risk of frauds etc. However, the customer should not be inconvenienced in any way, just because his account has been rendered inoperative. The classification is there only to bring to the attention of dealing staff, the increased risk in the account.

(x) The transaction may be monitored at a higher level both from the point of view of preventing fraud and making a Suspicious Transactions Report. However, the entire process should remain unnoticeable by the customer.

(xi) Operation in such accounts may be allowed after due diligence as per risk category of the customer. Due diligence would mean ensuring genuineness of the transaction, verification of the signature and identity etc. However, it has to be ensured that the customer is not inconvenienced as a result of extra care taken by the bank.

- As part of the Customer Due Diligence Procedure, certified copies of officially valid documents for proof of identity and address are to be obtained while establishing an account based relationship;
- Bank shall, among others, take steps for preserving the customer account information including preservation of records pertaining to the identification of the customers and their addresses obtained while opening the account, for at least five years after the business relationship is ended.



- (xii) There should not be any charge for activation of inoperative account.
- (xiii) Banks are also advised to ensure that the amounts lying in inoperative accounts ledger are properly audited by the internal auditors / statutory auditors of the bank.
- (xiv) Interest on savings bank accounts should be credited on regular basis whether the account is operative or not. If a Fixed Deposit Receipt matures and proceeds are unpaid, the amount left unclaimed with the bank will attract savings bank rate of interest.

Banks may also consider launching a special drive for finding the whereabouts of the customers / legal heirs in respect of existing accounts which have already been transferred to the separate ledger of 'inoperative accounts'.

Display list of Inoperative Accounts: Banks should, in addition to the instructions contained above, play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits / inoperative accounts. Banks are, therefore, advised that they should display the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more on their respective websites. The list so displayed on the websites must contain only the names of the account holder(s) and his / her address in respect of unclaimed deposits / inoperative accounts. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts should also be indicated. However, the account number, its type and the name of the branch shall not be disclosed on the bank's website. The list so published by the banks should also provide a "Find" option to enable the public to search the list of accounts by name of the account holder.

Banks should also give on the same website, the information on the process of claiming the unclaimed deposit / activating the inoperative account and the necessary forms and documents for claiming the same. Banks are required to have adequate operational safeguards to ensure that the claimants are genuine.

### **23. Statement of Account/Pass book**

1. Bank shall invariably offer pass book facility to all its savings bank account holders (individuals) and in case the bank offers the facility of sending statement of account and the customer chooses to get statement of account, the banks must issue monthly statement of accounts.
2. The cost of providing such Pass Book or Statements should not be charged to the customer.
3. Bank shall print MICR code and IFSC code along with its address and contact number on passbook / statement of account.
4. Statements of account are meant for account holders and shall not be altered to reflect otherwise.
5. Statements must be dispatched to the address provided by the account holder in accordance with the mailing options.

6. Duplicate statement may be provided if requested by customer after recovering charges as per Bank's standard tariff.
7. Statements in respect of Dormant Accounts will not be printed by the system.
8. Operations will handle all statements returned undelivered by the postal authority as per mail policy.

**i. Cautionary List**

All customers will be verified against the black list, as part of account opening process. Such discretion shall be exercised within the compliance framework and on business considerations.

**ii. Cheque Books**

1. Cheque Books shall be issued, against their formal request and acceptance of terms and conditions governing the issue.
2. Banks may issue cheque books with larger number of (20/25) leaves if a customer demands the same and also ensure that adequate stocks of such cheque books (20/25 leaves) are maintained with all the branches to meet the requirements of the customers.
3. Cheque Books shall not be issued to unsatisfactorily conducted accounts or blocked accounts. Cheque Books shall be delivered only to, or as authorized by, the customer.
4. Request for issuance of cheque book may also be received through electronic media (BankNET).
5. Personalized cheque book may be issued to customers.
6. Cheques books will be delivered via courier to the customer
7. Undelivered cheque books shall be destroyed after the stipulated period from date of issue / initial advice to the customer.

**iii. Power of Attorney**

At the request of the customer, the Bank will register power of attorney (POA) given by him authorizing another person to operate the account on his behalf. The bank shall accept the "General POA" preferably in bank's format. POA issued by joint account holder or partnership shall be signed by all the joint account holders/partners.

The POA must be stamped and executed in the presence of a Notary Public/Magistrate of a Court/Government official authorised to do so.

The POA may be revoked by the principal by informing the bank in writing. It shall also stands revoked by the death, insanity or insolvency (winding up or liquidation in case of companies) of the principal.

**iv. Joint Account**

Deposit accounts may be singly or jointly owned unless prohibited under specific circumstances). All bona fide deposits into the account shall be deemed to belong to the depositor(s). Joint accounts shall indicate the signing authorities of the respective joint account holders.

## **1. EXTENSION OF ALTERNATE DELIVERY CHANNELS TO SAVINGS BANK & CURRENT DEPOSIT ACCOUNT HOLDERS**

The bank offers choice of electronic channels to customers for conducting their banking transactions. The choice of electronic channels includes ATM, Internet banking. Wherever such electronic facilities are offered as a part of the basic account/product, bank will obtain specific consent of the customers after explaining the risk associated for availing the facility.

## **2. MINOR'S ACCOUNT**

Saving Bank account and Term Deposit Accounts can be opened in the name of minor (known as Minor's Account) by natural guardian or guardian appointed by court (legal guardian). Savings Bank Account or Term Deposit Account can also be opened in the name of a minor jointly with natural guardian or with mother as the guardian (known as Minor's Account) or jointly with a major, where minor is represented by natural guardian.

Minors above the age of 10 years- Bank may allow to open and operate savings bank account independently if they so desire. Bank may put the age limit and transaction amount, cap basis, keeping in view their risk management system. Banks are free to offer additional banking facilities like internet banking, ATM/ debit card, cheque book facility etc., subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit. KYC norms & due diligence of minor should be ensured while opening and operating these accounts.

On attaining majority on the same day, account should be inoperative until the time customer converts the minor account to major with required KYC documents. Thus, banks should initiate the prior communication to Minor accounts that would attain to majority. The erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of the erstwhile minor duly verified by the natural guardian would be obtained and kept on record.

All minor accounts shall be diarized to maintain / monitor the age of majority. When a minor attains the age of majority, operations shall be reviewed and appropriate changes in signatories/ documents shall be made.

### **v. Over Drafts**

- a) Overdrafts shall be permitted only in Current Accounts, and usually upon prior approval. Unarranged overdrafts may also be permitted / ratified by credit discretion holders.
- b) Overdrafts shall not be allowed to be created in the accounts of minors through customer originated transactions.
- c) Overdrawn accounts will be followed up for regularization wherever required.

## **24. ACCOUNT OF ILLITERATE**

The bank may at its discretion open deposit accounts other than Current Accounts of an illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such Savings Bank Account. Photograph must also be scanned along with the thumb

impression. At the time of withdrawal/repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of two authorized bank officials who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The bank official shall explain the terms and conditions governing the account to the illiterate person.

## **25. ACCOUNT OF VISUALLY CHALLENGED PERSONS**

Bank will facilitate opening of Saving Bank accounts as well as Term Deposit accounts of persons with visual impairment. Such accounts will be operated by the account holder personally. Cheque book facility will be made available. Such account holders will have to be present before the branch officials and affix thumb impression and they will be identified through their photograph to facilitate operations.

## **26. ACCOUNT OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES**

Savings bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate. Legal advice should be sought before extending the facilities.

## **27. ADDITION OR DELETION OF THE NAME/S OF JOINT ACCOUNT HOLDERS**

The bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder.

## **28. CUSTOMER INFORMATION**

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it should be strictly with the consent of the account holder.

## **29. SECRECY OF CUSTOMER ACCOUNTS**

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

## **30. Deceased Accounts**

1. Death of any one of the account holders has the effect of altering the contractual status between the Bank and the heirs, estate or other joint holders of the account, of the account holder.
2. If the mandate of survivorship is given, 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 such cases, bank shall make payment to survivor(s) subject to that there is no order from a competent court restraining the bank from making such payment.
3. The balance outstanding in Savings Account/Current Account/Term Deposit will be paid to the nominee (in case nomination is available) on verification of his/her identity (such as Election ID Card, Aadhaar Card, PAN Card, Passport etc.) and proof of death of customer.
  4. In the absence of nomination or the death of all the account holders, the balance outstanding in Savings Account/Current Account/Term Deposit will be paid to the legal heirs (or any one of them as mandated by all of the legal heirs) on verification of the authority of the legal heirs and proof of death of customer.
  5. 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. Transaction authorizations of the deceased in the pipeline i.e. issued but not actioned, shall not be put through unless it serves to meet a clear legal liability of the Bank. Death of mandate holders on account shall require re-confirmation of "pipeline" transaction authorizations by either the principal or suitably authorized new designates.
  6. 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 15days** 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.

### **31. SETTLEMENT OF DUES IN DECEASED DEPOSIT ACCOUNTS**

The Bank has formulated a separate policy in this regard the details of which are available in Policy on Settlement of Claims of Deceased Depositors.

### **32. INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED ACCOUNT**

In the event of the death of the depositor before the date of maturity of the deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay savings bank rate on simple interest basis, for the period for which the deposit remained with the Bank beyond the date of maturity as per the Bank's policy in this regard.

If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the bank will be paid.

However, in the case of death of the depositor after the date of maturity of the deposit, interest shall be paid at the contracted rate until the date of maturity and the bank shall pay interest at savings deposit rate operative on the date of maturity, from the date of maturity until the date of payment.

### **33. INSURANCE COVER FOR DEPOSITS**

All bank deposits are covered under the insurance scheme offered by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC). The details of the insurance cover in force will be made available to the depositor.

#### **34. STOP PAYMENT FACILITY**

- a) Instructions countermanding/Stopping payments of cheques shall be accepted subject to local laws and regulations governing execution of such instructions.
- b) Payment of cheques / drafts / pay orders / banker's cheques, if they are presented beyond the period of three months from the date of such instruments, shall not be made.
- c) Frequent recourse to this facility connotes unsatisfactory conduct of the account and may be a ground for closing the account.
- d) Branches may accept "Stop Payment" instructions from customers only in writing, preferably on the Bank's standard form.
- e) Charges may be recovered from the customers in accordance with the standard tariff for establishing "stop payments" on cheques.
- f) Customers may revoke/cancel "stop payment" instructions given earlier by submitting written request

#### **35. Blocked/Frozen Accounts**

Partial freezing and closure of accounts

(a) Where Bank are unable to comply with the CDD requirements, they shall not open accounts, commence business relations or perform transactions. In case of existing business relationship which is not KYC compliant, banks shall ordinarily take step to terminate the existing business relationship after giving due notice.

(b) As an exception to the Rule, bank shall have an option to choose not to terminate business relationship straight away and instead opt for a phased closure of operations in this account as explained below:

- i. The option of 'partial freezing' shall be exercised after giving due notice of three months to the customers to comply with KYC requirements.
- ii. A reminder giving a further period of three months shall also be given.
- iii. Thereafter, 'partial freezing' shall be imposed by allowing all credits and disallowing all debits with the freedom to close the accounts in case of the account being KYC non-compliant after six months of issuing first notice.
- iv. All debits and credits from / to the accounts shall be disallowed, in case of the account being KYC non-compliant after six months of imposing 'partial freezing',
- v. The account holders shall have the option, to revive their accounts by submitting the KYC

35

documents.

- (c) When an account is closed whether without 'partial freezing' or after 'partial freezing', the reason for that shall be communicated to account holder.

Accounts upon which operations have been frozen by legal/regulatory means are called Blocked accounts. Blocks shall be created or lifted only upon confirmed notices from the authority empowered by law to request the block. The customer shall be advised of the effect on account balances immediately upon imposition or removal of the restrictions on the account. Notices blocking or freeing the account shall be securely stored by the Branch Manager or his designate.

A freeze may be established on an account.

For internal purposes (e.g., as security for a Loan/Overdraft/any facility unapproved/approved temporarily, in case of suspicious transaction etc.).

On the death of the account holder.

Upon usage of Visa Electron Card purchasing goods and services at Member Establishments. A freeze can be established only in the currency of the account and on specific amount.

Freeze may also be established or released by internal department, however such request to be duly approved as per the authority matrix. Approval from the business unit/department which originally authorized the freeze is required for release of freeze.

### **36. DORMANT ACCOUNTS**

Accounts which are not operated by the customer for a period of two years will be transferred to a separate dormant / inoperative account status in the interest of the depositor as well as the Bank. The depositor will be informed of charges, if any, which the Bank will levy on dormant / inoperative accounts. The depositor can request the Bank to activate the account for operating it.

### **37. ACCOUNTS OF TRANSGENDER PERSONS**

In case of a person claiming to be transgender and needs to open account or to do any banking transaction, the person will be recognized as "Third Gender" and the details shall be accepted in the AOFs/ or other applicable forms as such.

The salutation of such person shall be "Mx"

All transgender customers shall be treated equally to other male/ female customers without any discrimination.

### **38. Attached Accounts**

1. Credit balances in accounts may be or attached by an authority empowered to do so. Garnishee



orders shall be acted upon (converted from nisi to absolute) only upon confirmation. Available balances shall be segregated in a suitably named suspense account. The customer shall be advised of the effect on account balances immediately after compliance with the order. The Garnishee order applies only to credit balances in the account at the time of receipt, not to credits subsequently dated.

2. For the purpose of determining the "Attachable Funds" available in the account on which a Garnishee Order Nisi has been served the Bank is entitled to deduct from the credit balance lying in the account any debts which existed at the date of the order. For this purpose, all the customer's accounts, which could be set off without notice to the customer, can be combined. Any amount payable against a cheque which has been marked good for payment prior to the service of the order may also be deducted in determining attachable funds. The Bank however, is not entitled to retain money to meet a contingent liability of the customer.

3. Joint accounts: When a garnishee order is in a single name and the customer/s account is in joint names (husband and wife, two brothers, mother and daughter or two friends) with the operation clause 'either or survivor', the monies lying in such account **cannot** be attached. However, if the amount is payable to former or survivor, it can be attached even though the garnishee order is in the former's name only. This is because, the money is a debt due and accruing to the former in his lifetime and to the survivor only after the death of the former.

4. Trust accounts: The outstanding amount in a trust account cannot be attached, if the judgement debtor has deposited the money as a trustee.

5. Partnership accounts: The personal account of a partner can be attached for the firm's debt because partners are jointly and severally liable for the firm's debts. Nevertheless, the firm's account cannot be attached for individual debts of the partners.

6. Liquidator: When a company is the judgement - debtor, an order attaching the accounts of the liquidator, cannot be passed as the money does not belong to the company but to the liquidator.

7. When the garnishee order does not name the customer correctly or with a sufficient accuracy, to enable the bank to identify the account in its books, the bank is not bound to act upon it and is not responsible for passing cheques till the order is amended.

8. In case where the customer is having more than one account in the bank's branch, one is in debit and the other is in credit balances, the net result if in credit can be attached. The order will not attach only the credit balance account. But if the debit balance is in a loan account, which has not been recalled by the bank on the date of service of order, credit into another account cannot be adjusted.

9. The bank cannot appropriate the credit balance towards the contingent liabilities of the customer, when a garnishee order is served.

10. Balances held outside India cannot be attached.

11. The order of the ITO (Income Tax Officer) may attach:

- a. any debt due and payable;

- b. debts due but not payable on the date of receipt of the notice; and
  - c. any amount received subsequently.
12. Any balance lying in a joint account can also be attached, even though, a notice is issued on a single account. The shares of the joint account holder in such accounts shall be presumed to be equal unless the contrary is proved.
13. Operations may be permitted on remaining balances in credit. Garnishee orders shall be securely stored by the COO or his designate.

### **39. Right of Set off**

- a) Prior to transferring control or ownership to the appropriate legal claimant (heir, estate or authority), the Bank may, at its discretion, exercise its right of set off against dues owed by the customer, provided these dues comprise of:
  - b) Those not requiring notice prior to recall, in case of garnishee orders.
  - c) Those contingent upon invocation of guarantees confirming payment of a customer obligation that is certain to occur.
- d) In addition to any general right of set-off or other rights conferred by the law to the Bank, the Bank may at its sole discretion at any time combine or consolidate all or any of the accounts of the customer with the bank in any currency and set off or transfer any funds available to settle any of the Customer's obligations to the Bank
- e) The Bank shall have the right to debit any account maintained by the customer with any of the companies & associates' subsidiary to the Bank which hold any credit balance in favour of the customer to settle any existing or outstanding obligations of the customer to the bank
- f) The Bank may exercise its right to set off monies owed by the customer, in addition to any general lien or any other right or remedy to which the Bank may be entitled. The bank shall combine and/or consolidate all or any accounts held by the account holder and all or any of the liabilities by the account holder and set off or transfer any sums standing to the credit of any such account in or towards the satisfaction of any such liability whether such a liability be actual or contingent, primary or collateral, several or joint.
- g) It is a statutory right and can also arise out of an agreement between the parties concerned.
- h) There should be mutual debts and the debts should be for certain sums, while the claim and the cross claim should be for certain sums.
- i) The claims and cross claims should be both for determined amounts. Where the customer has stood as a guarantor to another party, his credit balance cannot be set-off against the borrowers' dues, till the guarantee amount is determined. For the purpose of set-off, all the branches of a bank are considered as a single entity.

- j) The set-off can be applied only to those debts, which are due and recoverable on the date of exercising the set-off.
- k) Indebtedness should arise in the same rights. Where the bank has noticed that the amount in the customer account is held under trust, the bank cannot exercise the right against a debit balance on a deceased's credit account and a customer's debit account cannot be combined.
- l) Automatic right of set-off (i.e. set-off without notice) shall arise in the following cases:
  - Death or insanity/insolvency of the customer
  - Insolvency of a partner or on the winding up of a company
  - Receipt of garnishee order
  - Receipt of notice of assignment of customer's credit balances (v) Receipt of a notice of secured mortgage over the security charged to the bank. The account of a sole proprietor (of a trading firm) and his individual account can be combined.
  - A customer does not have a right of set-off against various accounts of various branches

#### **40. Account Status Change for Resident/Non – Resident Accounts**

Residency criteria requirements shall also require bank to review accounts and / or either update documents accordingly or exercise caution / mark caution in account for operations (till contact with customer is established and appropriate action taken).

#### **41. Privacy and Confidentiality**

Account details shall be made available to customers or their authorized representatives only upon proper identification /verification. However, there are some exceptions, viz. disclosure of information under compulsion of law, and where interest of the Bank requires disclosure.

#### **42. Review of Accounts**

Periodic updation shall be carried out at least once in every two years for high-risk customers, once in every eight years for medium risk customers and once in every ten years for low-risk customers subject to the following conditions:

1. Fresh proofs of identity and address shall not be sought at the time of periodic updation, from customers who are categorised as 'low risk', when there is no change in status with respect to their identities and addresses and a self-certification to that effect is obtained.
2. A certified copy of the proof of address forwarded by 'low risk' customers through mail / post, etc., in case of change of address shall be acceptable.
3. Physical presence of low-risk customer at the time of periodic updation shall not be insisted upon.
4. The time limits prescribed above would apply from the date of opening of the account / last verification of KYC.

5. Fresh photographs shall be obtained from customer for whom account was opened when they were minor, on their becoming a major.
  - Accounts and related documentation shall be reviewed at regular intervals as per the KYC policy.
  - The Review of accounts may be triggered by customer-initiated change to contractual status, diarised events pertaining to AOD validity, transaction history or account conduct. Management reports summarizing changes in account status, accounts opened and closed, cheque returns, accounts not meeting minimum balance or other compliance requirements and indicating potentially irregular use shall be generated and reviewed on an on-going basis at daily/monthly frequencies (as applicable).
  - Account relationships not deemed to be satisfactorily conducted or profitable may be formally reviewed and terminated/a change of segment initiated by the Branch official after due notice to the customer. Terminations of account relationships based on ML considerations and concerns shall require prior approval from Compliance/regulatory authorities

#### **43. Suspension/Activation of CIF**

1. CIF may be suspended for the following reasons:
  - To restrict further account opening by the customer or to terminate relationship with customer due to ML reasons/unsatisfactory conduct of the account/customer name appearing in the “Caution List”.
  - If there is a material change in contracting capacity of the customer through death, insanity, insolvency etc.
2. Suspended CIF will be activated only upon proper scrutiny of the customer profile and all related accounts and approval as per the authority matrix.

#### **44. Account Closure**

1. Account closure may be:
  - At the instance of the Bank or the customer.
  - In case of any material change in the contracting capacity of the customer through death, insanity, insolvency etc.
  -
- a) Account Opening documents after the closure of the account shall be kept for a period of 10 years from the date of exiting the relationship.
  - . Conformity to KYC/AML Standards/CFT guidelines, updates shall strictly be maintained at all times.
- b) Professional vigilance and due prudence shall be exercised at all levels to guard against Money

Laundrying (For detailed guidelines on money laundering, refer to compliance section on intranet.

- c) Third party use of accounts shall be permitted only within the scope of the documented authority accepted by the Bank.
- d) It shall be strictly prohibited to open accounts with assumed names and numbers. The Bank shall always rely on the account holder's name as in the passport/
- e) Instructions on the account, duly authorized by the customer, may be accepted for performance by the Bank on a regular or an ad hoc basis.
- f) Customer instructions, when accepted for regular performance, shall be reviewed against source documents at periodic intervals for continuing validity. The instructions shall comply with the prevailing regulatory framework at all times.

#### **45. Responsibility**

##### **At Branch**

- Receive and verify request for account/CIF maintenance
- CIF creation and account opening, as applicable.
- Account status/outstanding check for closure of accounts
- Ensure account opening and maintenance requests are processed as per the agreed TAT
- Monitoring & reporting suspicious transactions to compliance for reporting to FIU-India post assessment by India Branch Operations.
- Servicing customer enquiries
- Placing stop payment on the cheque provided the requirement in place.

##### **Support Unit**

- Completion/modification of account details in system
- Account Opening and closures within the agreed TAT, as applicable
- Reconciliation of account opening documents received from branches
- Signature maintenance in relevant system
- BankNET/meMOBILE application processing and maintenance

- Archival of account opening and maintenance documents as per the Bank’s retention policy
- CIF suspension, lien/freeze maintenance of account and certificate issuance
- Updating and monitoring tracking system
- Other maintenance related requests received from sourcing unit

#### 46. GLOSSARY

##### a. Definitions

- a) **Minor:** Any person below the age of 18 as per the Gregorian calendar shall be termed as minor.
- b) **POA:** Power of Attorney can be given by the customer to any individual to open/Operate/close the account.
- c) **CIF:** Customer Information File is created for all individuals/business entities establishing relationship with the bank.
- d) **Set-off:** If a customer does not have enough money in a particular account to make payments due from that account, but sufficient funds are available in one or more of their other accounts with the firm, exercising the right of set off allows the Bank to utilize such funds to clear off the debts owed to the Bank.

**Table of Abbreviations**

Abbreviation	Description
EXCO	The Executive Committee
GCOO	Group Chief Operating Officer
GM /AGM	General Manager / Assistant General Manager
RBWM	Retail Banking & Wealth Management
CSU	Cash Services Unit
CMC	Cash Management Centre
CSP	Cash Service Provider
BSS	Business System Support unit
BOM	Branch Operations Manager
POS	Point of Sale

LHT	Left Hand Thumb
INA	Internal Audit
FP & I	Fraud Prevention & Investigation
TBS	Transaction Banking Services

#### 47. RBI Circulars

Master Direction - Know Your Customer (KYC) Direction, 2016 - RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 (updated upto May 10, 2021)

Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 – RBI/DBR/2015-16/19 Master Direction DBR. Dir. No.84/13.03.00/2015-16 (updated upto Nov 11, 2021)

Master Circular on Customer Service in Banks - RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16

#### 48. POLICY MANDATORY INFORMATION

Name	Description
Document Title	Comprehensive Deposit Policy
Document Classification	Regulatory
Document Sub classification	Compliance
Original Publish Date	July 2017
Policy Producing Business Line	Operations / Sethuraman Sathappan
Policy Producing Department or Function	Operations / Sethuraman Sathappan
Document Author	Abhijit Salunkhe
Document Approver(s)	India EXCO
Document Contact(s) (PM)	India Operations
Last Review Date	December 2022
Next Review Date	December 2024
Legal & Regulatory Requirements	Yes – Reserve Bank of India
Effective Date	13-12-2022