



## FEDERATION OF PENSIONERS' ASSOCIATION

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### 1. PURPOSE:

The Nomination Facility is intended to facilitate expeditious settlement of claims in the accounts of deceased depositors/Safe custody articles/ locker-holders and to minimize hardship caused to the family members on the death of the depositors/Safe custody articles/ locker holders.

### 2. LEGAL PROVISIONS:

#### **Reserve Bank of India (Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with the Banks) Directions, 2025**

The Government of India has notified the Banking Laws (Amendment) Act, 2025 which inter-alia has amended the Sections 45ZA, 45ZC and 45ZE of the Banking Regulation Act, 1949 (the Act). The Banking Companies (Nomination) Rules, 2025 have also been notified which along with amended provisions of the Act shall come into force from November 1, 2025. Accordingly, in order to align the regulatory instructions with the amended provisions of the Banking Regulation Act, 1949 and corresponding Nomination Rules, it has been decided to review the extant instructions on the subject.

### 3. RULES FOR NOMINATION

Nomination Facility is available on all deposit accounts, safe deposit locker / safe custody article and deposits held in the name of sole proprietary concern. Nominations are made only in respect of deposits which is held in individual capacity of the depositor and not in any representative capacity as a holder of an office or otherwise. Thus, for instance, a nomination cannot be made in a HUF account.

Successive or Simultaneous nomination has been introduced as under:

#### **(A) Successive Nomination:**

(1) Where the nomination is made successively in favour of more than one person, the nomination shall be effective only in favour of one person in the order of priority specified. (In case Successive Nomination' is selected then more than one nominee will be allowed with each having 100% share).

If the nomination is made in favour of more than one person successively, the nomination shall be effective only in favour of one person in the following order of priority, namely:

- a) nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination,
- b) nomination of the second nominee shall become effective only after the death of the first nominee,
- c) nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominees whose names are higher in the order of nomination.

(2) Where the order of nomination is not mentioned, persons shall be deemed to have been nominated in the order in which their names appear in the nomination.

#### **(B) Simultaneous Nomination:**

Where the nomination is made simultaneously in favour of more than one person, the nomination shall be effective in favour of all such persons in proportion to which it is declared, and the following terms and conditions shall apply, namely:

- a) the nomination shall not be made in favour of more than four persons,
- b) the nomination shall explicitly state the proportion of amount of deposit in percentage in favour of each nominee,
- c) the nomination shall be made in respect of the whole amount of deposit.
- d) if any nominee dies before receiving deposit from the banking company, the nomination in respect of such nominee alone shall become ineffective and the amount of deposit purported to be nominated in favour of deceased nominee shall be treated as if nomination had not been made in respect of that portion of deposit.

**(C)** Either Simultaneous or Successive nominations is allowed for deposit accounts. Simultaneous nomination is not applicable in the Safe Custody Article / Safe Deposit lockers.

#### **3.1. Nomination facility in respect of deposits:**

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



(ii) "Nomination shall be made only in favour of individuals." As such, a nominee cannot be an Association, Trust, Society or any other Organization or any office-bearer thereof in his official capacity. In view thereof **any nomination other than in favour of an individual will not be valid.**

(iii) The nomination by the depositor, or as the case may be, all the depositors together, in respect of a deposit held in the Bank to the credit of one or more individuals, may be made in favour of one or more individuals, **but not exceeding four, either successively or simultaneously.**

(iv) If, by mistake or otherwise, a nomination is made in the Nomination Form in favour of more than four individuals, the names of the first four individuals appearing in the order, shall be recognised.

(v) The nomination shall be made either in, - (a) the Nomination Form (Annexure -I) or (b) the electronic or digital mode.

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

(vii) In the case of a joint deposit account the nominee's right arise only after the death of all the depositors.

(viii) Where the nominee is a minor, the depositor/ all the depositors, may, while making the nomination, appoint other individual not being a minor, to receive the amount of the deposit on behalf of the nominee in the event of the death of the depositor/depositors during the minority of the nominee.

(ix) In the case of a deposit made in the name of minor, the nomination shall be made by the person lawfully entitled to act on behalf of the minor.

(x) A nomination, cancellation of nomination or variation of nomination may be made at any time during which the deposit is held to the credit of the depositor or depositors, as the case may be.

(xi) Every subsequent nomination shall cancel the previous nomination, or vary it, as the case may be.

(xii) In the case of a deposit held to the credit of more than one depositor, the cancellation or variation of a nomination shall not be valid unless it is made by all the depositors surviving at the time of the cancellation or variation of the nomination.

(xiii) A nomination or cancellation on nomination or variation of nomination shall not cease **to be in force merely by reason of the renewal of the deposit.**

(xiv) **Incidental Matters:** In case of simultaneous nomination, if any nominee dies prior to receiving the deposit from the bank, the nomination in respect of such nominee alone shall become ineffective. Accordingly, a bank shall settle the claims of the amount of deposit made in favor of such nominee in accordance with provisions applicable for accounts without nominee clause as contained in Reserve Bank of India (Settlement of Claims in respect of Deceased Customers of Banks) Directions, 2025 as amended from time to time.

### **3.2. Separate nominations for Savings Bank account and Pension account:**

Nomination facility is available for Savings Bank Account opened for credit of pension. Banking Companies (Nomination) Rules, 2025 are distinct from the Arrears of Pension (Nomination) Rules, 1983 and nomination exercised by the pensioner under the latter rules for receipt of arrears of pension will not be valid for the purpose of deposit accounts held by the pensioners with banks for which a separate nomination is necessary in terms of the Banking Companies (Nomination) Rules, 2025 in case a pensioner desires to avail of nomination facility.

### **3.3 Nomination in Safe Custody Articles:**

(i) Nomination facilities are available only in the case of individual depositors and not in respect of persons jointly depositing articles for safe custody.

(ii) The nomination to be made by an individual in respect of articles left in safe custody with a banking company shall be **in favor of one or more individuals not exceeding four, successively**

(iii) Where the nominee is a minor, the depositor may, while making the nomination, appoint another individual not being a minor, to receive the articles on behalf of the minor.

(iv) Where the articles are left in the safe custody in the name of minor, the nomination shall be made by a person lawfully entitled to act on behalf of the minor in the event of the death of the depositor during the minority of the nominee.

(v) A nomination, cancellation of nomination or variation of nomination may be made by the depositor at any time during which the articles are held in safe custody.

### **3.4 Nomination in Safe Deposit Lockers:**

(i) The nomination facility is available for sole hirer and joint hirer.

(ii) The nomination to be made by an individual or as the case may be, all the individuals together who hire a locker shall **be in favour of one or more individuals not exceeding four, successively**.



(iii) In case of locker is hired by two or more individuals jointly and the locker is operated under the joint signature of two or more of such individuals, such hirers may nominate one or more person not exceeding four with successive nominations to whom, in the event of death of such joint hirer or hirers, access to the locker may be given jointly with surviving joint hirer or joint hirers, as the case may be and liberty to remove the contents of such lockers. **Nominations in Safe Deposit Lockers in all cases inclusive of Survivorship clauses (E or S, F or S, A or S etc.) are eligible.**

(iv) Where the locker is hired in the name of minor, the nomination shall be made by a person lawfully entitled to act on behalf of the minor.

(v) A nomination, cancellation of nomination or variation of nomination may made at any time during which locker is under hire.

vi) A passport size photo of the nominee attested by the customer may be obtained from customers, at their option and preserved in the records.

#### **4. WITNESS IN NOMINATION FORMS:**

In case of Thumb-impression(s) given by the customer in the Nomination Form (Annexure – I) for Bank Deposits, Articles in Safe Custody and for Safety Lockers, it shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

#### **5. ACKNOWLEDGEMENT OF NOMINATION:**

An acknowledgement of form submitted for Registration/ Variation/ Cancellation of nomination shall be given to the customers within three working days of receiving the forms. Such acknowledgement should be given to all customers irrespective of whether the same is demanded by customers or not. LCPCs are sending letter having Nomination number generated by the System to the account holder for the new accounts opened.

Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, the bank shall inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form.

#### **6. STORAGE OF NOMINATION FORM:**

The duly completed Nomination Form or subsequent cancellation or variation of nomination has to be uploaded by Makers at the Branches including Non-Home Branches by login into workflow application by using link <https://workflow.sbi/apps> and upload the nomination forms obtained from the customer which must be subsequently approved by Branch Checker in the workflow. After approval by Branch Checker, these documents would move to the linked LCPC for acknowledgement of the physical nomination forms thereat. Branches to ensure for migration of physical documents by generating forwarding letter at the earliest or maximum within T+2 days of approval by

Branch checker to LCPC for storage of the nomination forms thereat. These documents once uploaded/approved will be stored in EDMS and can be easily retrieved as and when required for audit / compliance / regulatory purposes. Standard Operating Procedure (SOP) dated 09.07.2024 vide e Circular No. NBG/BRNWM-Branches/2/2024-25 dated 12.07.2024 issued by CPC Redesign Department CC, Mumbai is to be meticulously complied with by operating functionaries. The Path for accessing SOP is SBI Times > My Workplace > Manuals/ Master Circular/ Policies/ SOP > SOP on Digitization of other supporting documents. In case of nomination in KYC non-compliant accounts, KYC updation should also be done first, prior to acceptance of nomination-related requests.

**6.1** If an individual, or a group of individuals, as the case may be, who has made a nomination in respect of a deposit, desires to have that nomination extended to his or their other accounts, it shall be treated as if a separate nomination has been made for each of those accounts.

## **7. INDICATION OF NOMINATION FACILITY ON PASSBOOK AND STATEMENT OF ACCOUNT:**

- (i) Whenever nomination facility is availed by a customer on any account, the fact has to be indicated in his Passbook /Statement of account as a legend "Nomination Registered" indicating the position regarding availment of nomination facility so that, in case of death of the account holder, the relatives can know from the Passbook /Statement of Account that the nomination facility has been availed of by the deceased depositor and initiate suitable action.
- (ii) RBI has advised banks to indicate the name of the nominee(s) in the Passbook/ Statement of accounts /TDR/STDR advice.

## **8. CUSTOMERS NOT OPTING FOR NOMINATION FACILITY:**

- (i) At the time of account opening, the prospective customer to be informed about the availability and purpose of the nomination facility and offer him/her the option to avail the same. The prospective customer is to be clearly explained about the advantages of the nomination facility, including but not limited to simplification of the claim process in the event of the account holder's demise and facilitation of smooth and prompt transfer of funds to the nominee without legal complications.
- (ii) If the prospective customer chooses not to avail the nomination facility despite being fully informed, the bank shall proceed to open the deposit account without imposing any restrictions, if otherwise found eligible, after obtaining a written declaration from the individual confirming that he/ she does not require the nomination facility at the time of account opening. If he/she refuses to provide the written declaration, the bank shall record the fact of refusal to submit written confirmation in the account opening records.



(iii) Under no circumstances shall a prospective customer be denied or delayed in opening an account solely on the ground of refusal to make a nomination, provided all other requirements for account opening are satisfactorily met.

## **9. PROCEDURE:**

A. Process flow for nomination in CBS/ Digital Channel (YONO, INB) for Deposits and Safe Deposit Lockers in LAMP shall be advised separately after rolling out the functionality in the system.

B. Operating units are advised for compliance of Regulatory instructions related to the new nomination rules as under:

- (i) As the roll out of the functionality of successive nomination in CBS is expected in a week's time, customers approaching the branch to register nominations to be provided with the new nomination form and the application submitted by the customers to be accepted and acknowledgment to be provided.
- (ii) Proper record of such application received at branches to be maintained. Once the functionality is rolled out in CBS for successive nomination in deposit accounts, the nomination form submitted at branches earlier to be ensured for feeding in the CBS.
- (iii) Simultaneous nomination for deposit accounts shall be made available in CBS from 01.11.2025 and recording of the nomination mandate in CBS by branches to be ensured.
- (iv) Successive nomination facility for Safe Deposit Lockers shall be implemented in the Locker Allocation Management Project (LAMP) from 01st Nov'25. As such, all nominations requests have to be recorded under LAMP without any exception.
- (v) Following CBS Screen Numbers to be used in CBS for nomination in deposit accounts:

<b>Screen Number (CBS)</b>	<b>Activity</b>
7773	Creation of Nomination
7774	Enquiry of Nomination
7775	Deletion of Nomination

- (vi) Nomination in Safe Deposit locker accounts to be done in LAMP only under the path:

LAMP > Select Cabinet > Select Locker > Add/Amend CIF > Update Nomination

## 10. DO'S AND DON'TS:

### Do's:

- (i) Efforts should also be made to contact existing account holders who have so far not availed off the facility, and they may be requested to do so.
- (ii) Signature of the customers would be invariably verified while obtaining nomination.
- (iii) It is to be ensured that the nomination(s) made by its customers are in accordance with the SOP on nomination before providing acknowledgement to customers.
- (iv) Such acknowledgement shall be given to the customers within three working days of receiving the forms of registration, cancellation and/or variation of nomination, irrespective of whether the same is asked for by the customers.
- (v) Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, the bank shall inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form.
- (vi) It is to be ensured that Nomination form is sent to LCPC after uploading in the workflow as mentioned in para 6 above.

### Don'ts:

- (i) Nomination should not be made in favor of **non-Individuals**.
- (ii) Opening of account should not be refused solely on the ground that the person opening the account has refused to nominate. However, mandate of the customer for not opting for nomination to be obtained in writing on the Common Account Opening form.