



**SAFE DEPOSIT LOCKER/  
SAFE CUSTODY OF ARTICLES POLICY/  
OPERATIONAL GUIDELINES**

**THE JANATA CO-OPERATIVE BANK LTD.**

H.O.32, Netaji Subhash Marg, Darya Ganj, New Delhi-110 002

Telephones : 23256272-74, E-mail : ho-manager@janatabank.in

<b>S.No.</b>	<b>Topic Area</b>	<b>Page #</b>
1	Customer Due Diligence (CDD)	1
2	Locker Allotment	2-3
3	Security of the Strong Room/Vault	3-4
4	Regular Operations by Customers	4-6
5	Nomination Facility and Settlement of Claims	6-13
6	Closure and Discharge of locker items	13-17
7	Liability of bank	17-18
8	Branch Insurance Policy	18-19
9	Responsibility and Accountability of Bank Managers	19
10	Modifications/Additions in Policy.	19
11	Conclusion	19

# **THE JANATA CO-OPERATIVE BANK LTD.**

H.O.32, Netaji Subhash Marg, Darya Ganj, New Delhi-110 002

Telephones : 23256272-74, E-mail : ho-manager@janatabank.in

## **SAFE DEPOSIT LOCKER/SAFE CUSTODY OF ARTICLES POLICY/OPERATIONAL GUIDELINES**

The Safe Deposit Locker/Safe Custody of Articles Policy/Operational Guidelines in vogue has been prepared by the Bank taking into consideration the various developments in the area of banking and technology, nature of Consumer grievances and guidelines/directives issued by the RBI from time to time approved by the Board in its meeting held on 22.12.2021 vide Resolution No.A.e(i)ii). The guidelines/instructions contained in this policy have come into force w.e.f. 01.01.2022 and applicable to both new and existing Safe Deposit Lockers and Safe Custody of Articles facility with the bank.

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

- A. The existing customers of bank who have made an application for locker facility and who are fully compliant with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) may be given the facilities of safe deposit lockers/ safe custody article subject to on-going compliance.
- B. Customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker / safe custody article after complying with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to on-going compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.
- C. Bank shall incorporate a clause in the locker agreement that the locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. If the bank suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker, the bank shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

- D. The bank shall obtain recent passport size photographs of locker-hirer(s) and individual(s) authorised by locker hirer(s) to operate the locker and preserve in the records pertaining to locker-hirer being maintained in the bank's branch.

## **2. Locker Allotment**

In order to facilitate customers making informed choices, banks shall maintain a branch wise list of vacant lockers as well as a wait-list in Core Banking System (CBS) or any other computerized system compliant with Cyber Security Framework issued by RBI, for the purpose of allotment of lockers and ensure transparency in allotment of lockers. The banks shall acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the lockers are not available for allotment.

### **2.A Model Locker Agreement**

- (i) Bank shall renew locker agreements with existing locker customers by January 1, 2023.
- (ii) At the time of allotment of the locker to a customer, the bank shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. A copy of the locker agreement (annexed in Appendix – I) in duplicate signed by both the parties shall be furnished to the locker-hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the bank's branch where the locker is situated.

### **2.B Locker Rent**

- (i) Bank may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, bank is allowed to obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. Bank, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account. The packaging of allotment of locker facility with

placement of term deposits beyond what is specifically permitted above will be considered as a restrictive practice.

- (ii) If locker rent is collected in advance, in the event of surrender of a locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer.
- (iii) If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the bank shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, bank shall make efforts to intimate their customers suitably at the earliest.

### **3.A Security of the Strong Room/Vault**

- (i) Bank shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. The risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned may be access and kept on record. Bank shall have a single defined point of entry and exit to the locker room/vault. The place where the lockers are housed must be secured enough to protect against hazard of rain / flood water entering and damaging the lockers in contingent situations. The fire hazard risks of the area should also be assessed and minimized. The bank, as per the policy, shall conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.
- (ii) The area housing the lockers should remain adequately guarded at all times. The bank shall install Access Control System, if required as per risk assessment, which would restrict any unauthorized entry and create digital record of access to locker room with time log. As per internal security policy, bank may cover the entry and exit of the strong room and the common areas of operation under CCTV camera and preserve its recording for a period of not less than 180 days. In case any customer has complained to the bank that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is

noticed/observed, the bank shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

- (iii) The security procedures shall be well-documented and the staff concerned shall be properly trained in the procedure. The internal auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.

### **3.B Locker Standards**

- (i) All the new mechanical lockers to be installed by the bank shall conform to basic standards / benchmarks for safety and security as prescribed by Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard.
- (ii) Bank offering electronically accessed lockers should be fully aware of the safety and security features of such lockers satisfying appropriate industry standards. In case the lockers are being operated through an electronic system, the bank shall take reasonable steps to ensure that the system is protected against hacking or any breach of security. The customers' personal data, including their biometric data, shall not be shared with third parties without their consent. Further, bank shall ensure that the electronically operated lockers are compliant with the Cyber Security Framework prescribed by the Reserve Bank. The system should be capable of maintaining unalterable log of locker activities. The bank shall comply with the relevant statutory / regulatory guidelines/requirements applicable for IT / data protection. Further, the bank shall also devise a standard operating procedure for issue of new password in lieu of lost passwords to customers in a safe and secure manner in case of electronically operated lockers.
- (iii) Bank shall ensure that identification Code of the bank / branch is embossed on all the locker keys with a view to facilitating identification of lockers / locker ownership by law enforcement agencies in case of need. Further, the custodian of the locker shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. Bank shall permit the locker-hirer to operate the locker only with the key provided by the bank, although there is no restriction in allowing the customer to use an additional padlock of her /his own if there are such provisions in lockers.

### **4.A Regular Operations by Customers**

- (i) The locker hirer and/or the persons duly authorized by him/ her only shall be permitted to operate the locker after proper verification of their identity

and recording of the authorization by the officials concerned of the bank. The bank shall maintain a record of all individuals, including the locker-hirers, who have accessed the lockers and the date and time (both check-in and check-out time) on which they have opened and closed the locker and obtain their signature. The ingress and egress register for access to Vault Room by locker-hirers or any other individual including the banks' staff shall be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records.

(ii) The bank's officer authorizing the locker-hirer to access the locker, after unlocking the first key / password shall not remain present when the locker is opened by the locker-hirer. The bank shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time.

(iii) Bank shall send an email and SMS alert to the registered email ID and mobile number of the customer before the end of the day as a positive confirmation intimating the date and time of the locker operation and the redressal mechanism available in case of unauthorized locker access.

#### **4.B Internal Controls by banks**

(i) There shall be a system of inter change of locks whenever the locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes. The duplicate master keys shall be deposited with another branch of the bank. There shall be proper record of joint custody of master keys. Bank shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the bank who is not connected with their custody and proper record shall be maintained as a proof of such verification.

(ii) Bank shall ensure that the Locker Register and the Locker Key Register are maintained in CBS or any other computerized system compliant with the Cyber Security Framework issued by the Reserve Bank. The Locker Register shall be updated in case of any change in the allotment with complete audit trails.

(iii) The bank custodian shall check whether the lockers are properly closed post locker operation. If the same is not done, the lockers must be immediately closed, and the locker-hirer shall be promptly intimated through e-mail, if registered or through SMS, if mobile number is registered or through letter

so that they may verify any resulting discrepancy in the contents of the locker. The bank custodian shall record the fact of not closing the locker properly in the register and its closure by the bank with the date and time. Further, the custodian of the locker room shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed, and that no person is inadvertently trapped in the locker room after banking hours.

### **5.A Nomination Facility and Settlement of Claims**

- (i) The bank shall offer nomination facility in case of safe deposit lockers and safe custody of articles, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Co-operative Banks (Nomination) Rules, 1985. In case the nominee is a minor, the same procedure as prescribed for the bank accounts shall be followed by the bank. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

#### **PROVISIONS OF SECTION 45-ZC TO 45-ZF OF THE BANKING REGULATION ACT, 1949**

##### **45ZC- Nomination for return of articles kept in safe custody with banking company**

- i) Where any person leaves any article in safe custody with a banking company, such person may nominate, in the prescribed manner, one person to whom, in the event of the death of the person leaving the article in safe custody, such article may be returned by the banking company.
- ii) Where the nominee is a minor, it shall be lawful for the person making the nomination to appoint in the prescribed manner any person to receive the articles deposited in the event of his death during the minority of the nominee.
- iii) The banking company shall, before returning any articles under this section to the nominee or the person appointed under sub-section(2), prepare, in such manner as may be directed by the Reserve Bank from time to time, an inventory of the said articles,



which shall be signed by such nominee or person and shall deliver a copy of the inventory so prepared to such nominee or person.

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

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

**45D - Notice of claims of other persons regarding articles not receivable**

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

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

**45ZE - Release of contents of safety lockers**

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

- ii) Where any such locker is hired from a banking company to two or more individuals jointly, and, under the contract of hire, the locker is to be operated under the joint signature of two or more of such hirers, such hirers may nominate one or more persons to whom, in the event of the death of such joint hirer or hirers, the banking company may give jointly with the surviving joint hirer or joint hirers, as the case may be, access to the locker and liberty to remove the contents of such locker.
- iii) Every nomination under sub-section (1) or sub-section (2) shall be made in the prescribed manner.
- iv) The banking company shall, before permitting the removal of the contents of any locker by any nominee or jointly by any nominee and survivors as aforesaid, prepare, in such manner as may be directed by the Reserve Bank from time to time, an inventory of the contents of the locker which shall be signed by such nominee or jointly by such nominee and survivors and shall deliver a copy of the inventory so prepared to such nominee or nominee and survivors.
- v) On the removal of the contents of any locker by any nominee or jointly by any nominee and survivors as aforesaid, the liability of the banking company in relation to the contents of the locker shall stand discharged.
- vi) No suit, prosecution or other legal proceeding shall lie against a banking company for any damage caused or likely to be caused, for allowing access to any locker, and liberty to remove the contents of such locker, in pursuance of the provisions of sub-section (1) or sub-section (2) as the case may be.

**45ZF – Notice of claims of other persons regarding safety lockers not receivable**

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

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

- (ii) For the various Forms (Forms SC1, SC2 and SC3 for Articles left in Safe Custody and Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Co-operative Banks (Nomination) Rules, 1985 (which are as under), only Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

#### **NOMINATION RULES**

- i) The nomination to be made by an individual who is a sole hirer of a locker from the bank shall be in **Form SL 1**.
- ii) Where the locker is hired from the bank by two or more individuals jointly, the nomination to be made by such hirers shall be in **Form SL1A**.
- iii) In case of a sole hirer of a locker, nomination shall be made in favour of only one individual.
- iv) Where the locker is hired in the name of a minor, the nomination shall be made by a person lawfully entitled to act on behalf of the minor.
- v) The cancellation of the said nomination to be made by the sole hirer or, as the case may be, joint hirers of a locker shall be in **Form SL2**.
- vi) A variation of the said nomination to be made by the sole hirer of a locker shall be in **Form SL3**.
- vii) A variation of the said nomination to be made by the joint hirers of a locker shall be in **Form SL 3A**.

- viii) A nomination, cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the locker is under hire.
  - ix) The bank shall acknowledge in writing to the sole hirer or joint hirers, the filling of the relevant duly completed Form of nomination or cancellation of nomination or variation of nomination, as the case may be, in respect of the locker so hired.
  - x) The relevant duly completed Form of nomination or cancellation of nomination or variation of nomination filed with the bank shall be registered in the books of the bank.
- (iii) Bank shall have appropriate systems and procedures in place to register the nomination, cancellation and / or variation of the nomination, in their books, made by the locker hirers.
- (iv) Bank shall devise a proper system of acknowledging the receipt of duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement shall be given to all the customers irrespective of whether the same is demanded by the customers or not.

## **5.B Settlement of Claims in case of death of a Customer**

- (i) The settlement of claims in case of death if a customer and release of contents of safety lockers / safe custody article to the nominee and protection against notice of claims of other persons in accordance with the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and Co-operative Banks (Nomination) Rules, 1985 as mentioned under para 5.A(i) & 5.A (ii).
- (ii) Model Operational Procedure(MOP) for settlement of claims of deceased constituents formulated by the IBA for Safe Deposit lockers. The present Banking Resolution Act does not provide nomination facility in respect of lockers with “Either or Survivor”/”Former or Survivor”/”Any one or Survivor(s)”/latter or Survivor” mandate. Hence operational instructions are not given in this regard. The claims should be settled in terms of the survivorship mandate given by customers.

In case whether there is a valid nomination/clear survivorship clause, the claim from the nominees/survivors should be settled at branch level itself duly observing the procedure on the basis of nomination and survivorship clause. In such cases branch should not insist for regular legal representation and also should not obtain any bond of indemnity or the surety from the survivor/Survivor(s)/nominee/Nominee(s). In case of any doubt branches may seek guidance from the Head Office.

- (iii) In order to ensure that the articles left in safe custody and contents of lockers are returned to the genuine nominee, as also to verify the proof of death, banks shall devise their own claim formats, in terms of applicable laws and regulatory guidelines.
- (iv) Time limit for settlement of claims: Banks shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivor(s) / nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the bank's satisfaction.
- (v) Bank branch shall report to the Head Office, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, with reasons therefor. Head Office of the bank shall review the settlement of claims and make suggestions to ensure that the claims are settled as early as possible unless there is any litigation pending before the Courts or any difficulty is being faced in identifying the true claimant with reference to nomination and put up before the Board of Directors of the bank.

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

- (i) If the sole locker hirer nominates an individual to receive the contents in the locker, in case of his death, after verification of the death certificate and satisfying the identity and genuineness of such individual approached, the bank shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken in the prescribed manner. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s)

nominates any other individual(s), in the event of death of any of the locker hirers, the bank shall give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s) after an inventory was taken in the prescribed manner. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the provisions of the Banking Regulation Act, 1949, the bank shall follow the mandate in the event of death of one or more of the joint locker-hirers.

(ii) Bank shall, however, ensure the following before giving access to the contents to nominee / survivor:

(a) Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;

(b) Make diligent effort to find out whether there is any order or direction from Courts/Forums restraining it from giving access to the locker of the deceased; and

(c) Make it clear to the survivor(s) / nominee(s) that access to articles in the locker / safe custody articles is given to them only as a trustee of the legal hirers of the deceased locker hirer i.e., such access given to them shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

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

(iii) The bank shall ensure that, the contents of locker, when sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further, the bank shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of the bank who is not associated with the locker facility or safe deposit of articles and the claimant (s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

(iv) The bank shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case

may be, that all the contents in the locker or in the safe custody of the bank, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.

- (v) While giving access to the survivor(s) / nominee(s) of the deceased locker hirer / depositor of the safe custody articles, bank may avoid insisting on the production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/ nominee(s), unless there is any discrepancy in nomination. In this regard, bank shall take note of our instructions under para 5.3.2.
- (vi) In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause. Similar procedure shall be followed for the articles under safe custody of the bank.

#### **6.A Closure and Discharge of locker items**

This part refers to the breaking open of the locker in a manner other than through the normal access by the customer using her/his original key or password under any one of the following circumstances:

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

A Standard Operating Procedure (SOP) for breaking open the lockers for all possible situations keeping in view the relevant legal and contractual provisions are as under :

The bank shall at liberty to break open the lockers and transfer the contents of the lockers to their nominees/legal hirers or dispose of article in a

transparent manner if it remain in-operative for a period of seven years and the locker hirer can not be located, even if rent is paid regularly.

The bank will give due notice to the locker hirer through letter and send email and SMS Alert to the registered email ID and Mobile Phone Number. If the letter is returned undelivered and the locker hirer is not traceable, the bank will issue Public Notice in two Daily Newspapers one in English and other in local language giving the reasonable time to the locker hirer or any other person/person(s) who is interested in the contents of the locker vary to respond the locker, locker should be break up in the presence of the Officer of the Bank and two independent witnesses and the whole process should be video recorded. In case of electronically operated lockers (including smart vaults), the use of vault administrator password for the opening of the locker shall be assigned to the Senior Officer and a complete audit trail access shall be preserved. After breaking open of the locker, the contents shall be kept in a sealed envelope over the detailed inventory inside fire proof safe in temper proof way until the customer claim it. A record of access to the fire proof safe shall invariably be maintained. While returning the contents of the locker, the bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

#### **6.B Discharge of locker contents at the request of customer**

- (i) If the key of the locker, supplied by bank is lost by the locker-hirer, the customer (locker hirer) shall notify the bank immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the bank. All charges for opening the locker, changing the lock and replacing the lost key may be recovered from the hirer. The charges applicable for replacement of lost keys / issue of new password shall be communicated to the locker hirer.
- (ii) The opening of the locker has to be carried out by the bank or its authorized technician only after proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker.
- (iii) The operation shall be done in the presence of the customer/s and an authorized official of the bank. It has to be ensured that the adjoining lockers are not impacted by any such operations and the contents of the



lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.

**6.C Attachment and recovery of contents in a Locker and the Articles in the safe custody of the bank by any Law Enforcement Authority**

- (i) In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for safe custody of the bank by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the banks shall co-operate in execution and implementation of the orders.
- (ii) The bank shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker or articles in the safe custody of the bank. The customer (locker-hirer) shall be informed by letter as well as by email/SMS to the registered email id/mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the bank and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the bank's records or handed over to the customer against acknowledgement.
- (iii) Bank shall also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

**6.D Discharge of locker contents by banks due to non-payment of locker rent**

- (i) Bank shall have the discretion to break open any locker following due procedure if the rent has not been paid by the customer for three years in a row. The bank shall ensure to notify the existing locker-hirer prior to any changes in the allotment and give him/her reasonable opportunity to

withdraw the articles deposited by him/her. A clause may be incorporated in the locker agreement to this effect.

- (ii) Before breaking open the locker, the bank shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number. If the letter is returned undelivered or the locker-hirer is not traceable, the bank shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer or to any other person/s who has interest in the contents of locker to respond. The locker shall be broken open in the presence of an officer of the bank and two independent witnesses. In case of electronically operated lockers (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved. Further, banks shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future. Banks shall also ensure that the details of breaking open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register. After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.
- (iii) Bank shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided at the end of this circular or as near thereto as circumstances require. Further, bank shall not open sealed/closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article, unless required by law.

#### **6.E Discharge of locker contents if the locker remains inoperative for a long period of time**

- (i) If the locker remains inoperative for a period of seven years and the locker-hirer cannot be located, even if rent is being paid regularly, the bank shall be at liberty to transfer the contents of the locker to their nominees/legal

hirer or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the bank shall follow the procedure as prescribed in paragraph 6.3.2 and 6.3.3 above. Bank shall ensure that the procedure to be followed by them for disposal of the articles left unclaimed for a reasonably long period of time as mentioned above is incorporated in their locker agreement.

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

## **7. Liability of bank**

The liability of the bank will be limited to 100 times of the Annual rent paid by the hirer/ customer for use of the locker facility in case of events like fire, theft, burglary, dacoities, robbery, building collapse, fraud committed by the employees of the bank, any loss or damage to the contents of the lockers due to negligence of the bank. The bank owe a separate duty of care to exercise due diligence in maintaining and operating their locker or safety deposit systems. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery. Further, bank shall adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

### **7.A Liability of bank arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer**

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

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

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

#### **8.A Branch Insurance Policy**

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

#### **8.B Insurance of locker contents by the customer**

Bank shall clarify in their locker agreement that as they do not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by the customer, they would not be under any liability to insure the contents of the locker against any risk whatsoever. Bank shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

#### **8.C Customer guidance and publicity**

(i) The bank shall display the model locker agreement with all the Terms & Conditions and the Standard Operating Procedures (SOPs) on various aspects on their websites and/or at branches (if official website is not available) where locker facility is being provided for public viewing. The bank shall ensure that the customers are made aware of the bank's terms and conditions to avail those facilities.

(ii) Bank shall display updated information on all kinds of charges for safe deposit lockers and safe custody articles on the website.

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

## **9. Responsibility and Accountability of Bank Managers**

Responsibility and Accountability of staff for any lapse be fixed on the concerned officials.

## **10. Modifications/Additions in Policy.**

Any modification or addition in the safe deposit locker/safe custody of articles policy/operational guidelines will be taken up and review to effect and incorporate changes, arising at a result of changing in monetary fiscal & regulatory policy of the Government of India, Reserve Bank of India & Registrar of Co-operative Societies from time to time.

## **11. Conclusion.**

This policy will be taken up for review as and when there are major changes in the environment arising out of changes in the safe deposit locker/safe custody of articles policy/operational guidelines by Reserve Bank of India or Government of India. However, in the absence of any such changes in the economic and banking scenario, this policy will continue to be in force. The changes made by the RBI and Government of India must be complied with and the Policy shall be revised, rectified and amended accordingly. This policy has been framed and shall be valid till it is revised.

## **TERM AND CONDITIONS REGARDING THE SAFE DEPOSIT VAULT (LOCKERS)**

1. The Application for Safe deposit Vault Locker shall be made in writing on the requisite application form. After the application is approved and the applicant signs Memorandum of Lease for safe deposit Locker and pays the rent for locker, a locker shall be allotted to him. The Bank reserves the right to refuse to allot locker without assigning any reason. In case of application by more than one individual, all the applicants shall sign on the application and the Memorandum of Lease. In case of registered institution, the application and the memorandum of Lease should be signed by the duly authorised representative in this behalf, which authorization should be lodged with the Bank prior to the allotment of the locker, unless subsequent change in the authorised office-bearers is intimated to the Bank the acting on the authorization and signature already registered Bank will not be responsible for any loss to the institution in this behalf. The relations between the holder of safe deposit Vault Locker and the Bank will be purely those of Lessee and Lessor.
2. Access to the safe deposit vault containing the safe deposit locker may be had on all Bank working days during Banking hours.
3. Access shall be had to the safe deposit vault by the Hirer and in case of joint Hirers by all of them together or by such one or more of them as they may indicate by special instructions to be given in writing by all of them from time to time and which instructions any one of them can cancel, in which case access will only be allowed to all of them together. Access can also be allowed to duly appointed Agent of a Hirer or joint Hirers provided that the authority in favour of such Agent is duly recorded in the Books of the Bank. In case of joint Hirers, such authority can be revoked by any one of them at any time. In case of the death of a sole Hirer, only his or her legal representatives will be recognized. In case of the death of any one of the joint Hirers, the survivors or survivor of them if previously authorised by the deceased shall be entitled to have access of the safe. Otherwise the consent of authority of the legal representatives of the deceased will be required before access can be had by the survivors or survivor of such joint Hirers. The access to Locker given to survivor(s)/nominee(s) shall be as a trustee of the legal heirs of the deceased locker heir i.e. such access given to them shall not effect the right of claim which any person may have against the survivor(s)/nominee(s) to whom access is given.
4. The safe deposit vault lockers will be given on rent for a period of twelve months on such rental as may be fixed by the Bank from time to time. All the rentals are payable strictly in advance.
5. In order to terminate the lease written notice to give up possession (which may be given by either party) must be given one week prior to the expiry of any period of the letting and the safe locker with its key must on the day of the termination of the letting, be given up to the bank. The lease of the safe Locker shall be considered renewed after the agreed period until the safe is surrendered and the key returned, but this condition is without prejudice to the rights of the Bank accrued in the mean time.
6. The Hirer shall not assign or under the safe Locker, or any part of it, not permit it to be used for any other purpose than the deposit of valuable and other property, and the Hirer shall not use the safe Locker for the deposit of any property of an explosive, destructive, or

unhygienic nature. Locker shall not be used to keep the contraband items like drugs and fake currency etc. comes under PML Act and other Statutory orders of the Government. The Bank suspects the deposit of any illegal or hazardous substance by any hirer in the safe deposit locker, the bank shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

7. Upon non payment of the rent whether the same shall be demanded or not or on non observance of any of these conditions by the Hirer, the Hirer shall, at the option of the Bank forfeit all rights to the use of safe Locker but without prejudice to any other remedies which the bank may have against him. After service, as hereinafter provided, of a notice requiring the payment of any rent due or the performance of any condition herein contained and in case of any further neglect to pay or perform the terms of this notice the bank shall be at liberty to break open the safe Locker and either to forward (by Insured Parcels post or other reasonable means and at the Hirer's risk and expenses) contents of the safe Locker to the Hirer at the address given in the Memorandum (or such other address as he may from time to time in writing instruct the Bank to substitute therefore) or at its option, the Bank may retain and keep the said contents in such other safe Locker or place as it may think fit at an annual rent of double the amount of the rent. The cost of breaking open the Safe Locker as aforesaid as well as the costs of repairing the same and changing the locks will have to be paid by the Hirer.
8. The Bank shall have lien or charge upon all property deposited with them for rent and all other moneys due from the Hirer to the Bank with power to sell at their option such property or any part thereof for the purpose of realizing from time to time rent and other moneys.
9. Any notice to the Hirer sent by post, under a certificate of Posting directed to such address as registered with the Bank by Hirer shall be deemed to have been duly served. The Bank should be notified of any change of address by Hirer.
10. If a key of the safe Locker is lost by the Hirer, the bank should be notified without delay but the Bank shall not be responsible for mistake (any such shortcoming on the part of the Hirer). The charge for opening the safe Locker, replacing the lost key and changing the lock shall be paid by the Hirer alone.
11. All repairs necessary to be done to the safe Locker, lock or replacement of the key, shall be done exclusively by workmen employed by the Bank.
12. Hirer are warned not to disclose the number of their safe locker or keys and their passwords, and not to deliver their keys to any person other than their duly authorized Agents. The Bank will not be responsible for any loss to the Hirer as a result of infringement of this condition.
13. If the locker remains inoperative for a period of seven years and the locker-hirer cannot be located, even if rent is being paid regularly, the bank shall be at liberty to transfer the contents of the locker to their nominees/legal hirer or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the bank shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number. If the letter is returned undelivered or the locker-hirer is not traceable, the bank shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer or to any other person/s who has interest in the contents of locker to respond. The locker shall be broken open in the presence of an officer of the bank and two independent witnesses. In case of electronically

operated lockers (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved. Further, banks shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future. Banks shall also ensure that the details of breaking open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register. After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future. Bank shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided at the end of this circular or as near thereto as circumstances require. Further, bank shall not open sealed/closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article, unless required by law.

14. The Hirer agrees to abide by such Rules and Regulations concerning access to the safe Lockers as the Bank may from time to time adopt. The Bank reserves the right to stop operations on the safe deposit Lockers if it noticed that the Hirer is in any way infringing the rules and regulations in respect of the safe deposit transactions.
15. The Bank do not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by the customer, they would not be under any liability to insure the contents of the locker against any risk whatsoever. The bank under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.
16. The liability of the bank will be limited to 100 times of the Annual rent paid by the hirer/ customer for use of the locker facility in case of events like fire, theft, burglary, dacoities, robbery, building collapse, fraud committed by the employees of the bank, any loss or damage to the contents of the lockers due to negligence of the bank.



## FORM SC 1

**NOMINATION UNDER SECTION 45ZC READ WITH SECTION 56 OF THE  
BANKING REGULATION ACT, 1949 AND RULE 3(1) OF THE CO-OPERATIVE  
BANKS (NOMINATION) RULES, 1985 IN RESPECT OF ARTICLES LEFT IN SAFE  
CUSTODY WITH CO-OPERATIVE BANK**

I ....., nominate the following person(s) to whom, in the event of my/minor's death, the articles left in safe custody, particulars whereof are given below, may be returned by .....

ARTICLES						NOMINEE	
Nature of	Distinguishing No.	Additional details, if any	Name	Address	Relationship with depositor, if any	Age	If nominee is a minor, his date of birth

\*2. As the nominee is a minor on this date, I appoint Shri/Smt./Kum .....to receive the said articles on behalf of the nominee, in the event of my/minor's death during the minority of the nominee.

Place:

Date:

.....

\*\*Signature/Thumb impression of depositor

Name(s) and address(es) and Signature(s) of witness(es)\*\*\*

\*Strike out if nominee is not a minor.

\*\*Where articles are left in safe custody in the name of a minor, the nomination should be signed by a person lawfully entitled to act on behalf of the minor.

\*\*\*Thumb impression shall be attested by two witnesses.

## FORM SC 2

### CANCELLATION OF NOMINATION UNDER SECTION 45ZC READ WITH SECTION 56 OF THE BANKING REGULATION ACT, 1949 AND RULE 3(4) OF THE CO-OPERATIVE BANKS (NOMINATION) RULES, 1985 IN RESPECT OF ARTICLES LEFT IN SAFE CUSTODY WITH CO-OPERATIVE BANK

I..... hereby cancel the nomination made by me in favour  
of .....in respect of the articles left by me in safe custody with  
..... particulars  
whereof are given below :

#### PARTICULARS OF ARTICLES

Nature of articles	Distinguishing mark or No.	Additional details, if any

Place:

Date:

.....  
\*Signature/Thumb impression of depositor

Name(s), signature(s) and address(es) of witness(es)\*\*

\*Where articles are left in safe custody in the name of a minor, the cancellation of nomination should be signed by a person lawfully entitled to act on behalf of the minor.

\*\*Thumb impression(s) shall be attested by two witnesses.

## FORM SC 3

### VARIATION OF NOMINATION UNDER SECTION 45ZC READ WITH SECTION 56 OF THE BANKING REGULATION ACT, 1949 AND RULE 3(5) OF THE CO-OPERATIVE BANKS (NOMINATION) RULES, 1985 IN RESPECT OF ARTICLES LEFT IN THE SAFE CUSTODY WITH CO-OPERATIVE BANK

I ..... cancel the nomination made by me in favour of .....and hereby nominate the following persons to whom in the event if my/minor's death, the articles left in safe custody, particulars whereof are given below, may be returned by .....

ARTICLES					NOMINEE		
Nature of	Distinguishing No.	Additional details, if any	Name	Address	Relationship with depositor, if any	Age	If nominee is a minor, his date of birth

\*2. As the nominee is a minor on this date, I appoint Shri/Smt./Kum .....to receive the said articles on behalf of the nominee, in the event of my/minor's death during the minority of the nominee.

Place:

Date:

.....  
\*\*Signature/Thumb impression of depositor

Name(s), signature(s) and address(es) of witness(es) \*\*\*

\*Strike out if nominee is not a minor.

\*\*Where articles are left in safe custody in the name of a minor, the variation of nomination should be signed by a person lawfully entitled to act on behalf of the minor.

\*\*\*Thumb impression(s) shall be attested by two witnesses.

## FORM SL 1

**NOMINATION UNDER SECTION 45ZE READ WITH SECTION 56 OF THE  
BANKING REGULATION ACT, 1949 AND RULE 4(1) OF THE CO-OPERATIVE  
BANKS (NOMINATION) RULES, 1985 BY SOLE HIRER IN RESPECT OF SAFETY  
LOCKER**

I .....nominate the following person(s) to whom in the event of my/minors, death ..... may give access to the locker and liberty to remove the contents of the locker, particulars whereof are given below :

LOCKER			NOMINEE			
Nature of	Distinguishing mark or No.	Additional details, if any	Name	Address	Relationship with hirer, if any	Age

Place:

Date:

.....  
\*Signature/Thumb impression of hirer

Name(s), signature(s) and address(es) of witness(es) \*\*

\*Where the locker is hired solely in the name of a minor, the nomination should be signed by a person lawfully entitled to act on behalf of the minor.

\*\*Thumb impression shall be attested by two witnesses.

## FORM SL 1-A

**NOMINATION UNDER SECTION 45ZE READ WITH SECTION 56 OF THE  
BANKING REGULATION ACT, 1949 AND RULE 4(2) OF THE CO-OPERATIVE  
BANKS (NOMINATION) RULES, 1985, BY JOINT HIRER IN RESPECT OF SAFETY  
LOCKER**

I/We ..... nominate the following person(s) to whom in the event of the death of one or more of us .....may give access to the locker and liberty to remove the contents of the locker, particulars whereof are given below, jointly with the survivor or survivors of us.

LOCKER			NOMINEE (S)			
Nature of	Distinguishing mark or No.	Additional details, if any	Name	Address	Relationship with hirer, if any	Age

Place:

Date:

.....  
Signature(s)/Thumb impression(s) of hirer(s)

Name(s), signature(s) and address(es) of witness(es)\*

\*Thumb impression(s) shall be attested by two witnesses.

## FORM SL 2

### CANCELLATION OF NOMINATION UNDER SECTIONS 45ZE AND 52 READ WITH SECTION 56 OF THE BANKING REGULATION ACT, 1949, AND RULE 4(5) OF THE CO-OPERATIVE BANKS (NOMINATION) RULES, 1985 IN RESPECT OF SAFETY LOCKER

I/We ....., hereby cancel the nomination(s) made by me/us in favour of .....in respect of the safety lockers, the particulars whereof are given below :

LOCKER			NOMINEE (S)			
Nature of	Distinguishing mark or No.	Additional details, if any	Name	Address	Relationship with hirer, if any	Age

Place:

Date:

.....  
\*Signature(s)/Thumb impression(s) of hirer(s)

Name(s) and signature(s) and address(es) of witness(es)\*\*

\*Where the locker is hired solely in the name of a minor, the nomination should be signed by a person lawfully, entitled to act on behalf of the minor.

\*\*Thumb impression shall be attested by two witnesses.

## FORM SL 3

### VARIATION OF NOMINATION UNDER SECTIONS 45ZE AND 52 READ WITH SECTION 56 OF THE BANKING REGULATION ACT, 1949 AND RULE 4(6) OF THE CO-OPERATIVE BANKS (NOMINATION) RULES, 1985, BY SOLE HIRER IN RESPECT OF SAFETY LOCKER

I ..... cancel the nomination made by me in favour of .....and hereby nominate the following person to whom in the event of my/minor's death .....may give access to the locker and liberty to remove the contents of the locker, particulars whereof are given below :

LOCKER			NOMINEE			
Nature of	Distinguishing mark or No.	Additional details, if any	Name	Address	Relationship with hirer, if any	Age

Place:

Date:

.....  
\*Signature(s)/Thumb impression(s) of hirer

Name(s) and signature(s) and address(es) of witness(es)\*\*

\*Where the locker is hired solely in the name of a minor, the variation of nomination should be signed by a person lawfully entitled to act on behalf of the minor.

\*\*Thumb impression(s) shall be attested by two witnesses.

## FORM SL 3-A

### VARIATION OF NOMINATION UNDER SECTIONS 45ZE AND 52 READ WITH SECTION 56 OF THE BANKING REGULATION ACT, 1949 AND RULE 4(7) OF THE CO-OPERATIVE BANKS (NOMINATION) RULES, 1985, BY JOINT HIRERS IN RESPECT OF SAFETY LOCKER

We ..... cancel the nomination(s) made by us in favour of .....and hereby nominate the following person(s) to whom in the event of the death of one or more of us ..... may give access to the locker and liberty to remove the contents of the locker, particulars whereof are given below, jointly with the survivor or survivors of us.

LOCKER			NOMINEE (S)			
Nature of	Distinguishing mark or No.	Additional details, if any	Name	Address	Relationship with hirer, if any	Age

Place:

Date:

.....  
Signature(s)/Thumb impression(s) of hirers

Name(s), signature(s) and address(es) of witness(es)\*

\*Thumb impression(s) shall be attested by two witnesses.