



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2015-16/321

DBR.No.Leg.BC.78/09.07.005/2015-16

February 11, 2016

The Chairman/Chief Executives
(All Scheduled Commercial Banks other than RRBs)

Dear Sir,

Legal Guardianship Certificates issued under the Mental Health Act, 1987

Please refer to [Circular DBOD.No.Leg.BC.84/09.07.005/2013-14 dated January 13, 2014](#) wherein banks were advised, inter alia, to take note of the legal provisions in the Mental Health Act, 1987 and that they may rely on and be guided by the orders/certificates issued by the competent authority, under the Act, appointing guardians/ managers for the purposes of opening / operating bank accounts.

2. It has been brought to our notice that banks are insisting on guardianship certificate from all mentally ill persons. In this regard it is clarified that paragraph 2(iii) of the aforesaid circular is not intended to mandate banks to insist on appointment of a guardian as a matter of routine from every person "who is in need of treatment by reason of any mental disorder". It would be necessary for banks to seek appointment of a guardian only in such cases where they are convinced on their own or based on documentary evidence available, that the concerned person is mentally ill and is not able to enter into a valid and legally binding contract.

Yours faithfully

(Rajinder Kumar)
Chief General Manager