



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

RPCD.No.RF.BC.110/D.1-87/98

May 26, 1988

All State and Central Co-operative Banks
and Regional Rural Banks.

Dear Sir,

**Payment of Balance in the Accounts of Deceased
Customers to Survivors/Claimants and Nomination Facilities**

At present, banks have prescribed different limit, within which the appropriate authorities of banks can pay the balance outstanding to the credit in the accounts of deceased customers to the heirs/survivors without insisting on production of legal representation. In this connection, the government has decided that banks should not insist upon cession certificates where the amount to the credit of deceased depositor does not exceed Rs. 25,000/-. However, banks are expected to observe the usual safeguards in settling such claims including obtaining of indemnity bonds, where required.

2. As you are aware, nomination facilities are now available to the depositors ,under the co-operative Banks (Nominations) Rules, 1985 and Banking Companies (Nomination) Rules, 1985. The purpose of amending the Banking Regulation Act, 1949 so as to include provisions relating to nomination facility is to facilitate expeditious settlement of claims in the accounts of deceased depositors and to minimise the hardship caused to the family members on the death of the depositors. In this context, you will agree that there is agreed to give adequate publicity to the nomination facility. Banks may endeavour to drive home to their constituents, the benefit of nomination facilities and ensure that the message reaches all the constituents. The methodology which the banks may like to adopt for this purpose may vary. However, one of the commercial banks, has devised a small slip Indicating the availability of nomination facility and the slip is inserted in the cheque books and pass books and in current account statements. A specimen format of the slip is appended.

3. We shall be glad if you will please take necessary, measures for popularising the nomination facility among your constituents. Please acknowledge receipt of this circular to our concerned Regional Offices and note to advise them of the action taken in this regard.

Yours faithfully,

Sd/-

(A. Achuthan)
Deputy Chief Officer

Nomination facility available for -

- Deposits
- Safe, Custody
- Safe Deposit Vault

Please make use of it.

For details:

Please enquire at the branch.