

Standard Operating Procedure (SOP) on Safe Deposit Lockers

Standard Operating Procedure (SOP) on Safe Deposit Lockers Safe Deposit Lockers is one of the facilities offered to existing customers by Bank, for safekeeping of valuables and documents. This note provides the Standard Operating Procedure for Safe Deposit Lockers covering the following areas.

- 1. Locker Allotment**
- 2. Locker Operations**
- 3. Addition or deletion of Hirers**
- 4. Locker Nomination**
- 5. Locker Key Lost by the Locker Hirer**
- 6. Locker Surrender**
- 7. Break-open of Locker**

1. Locker Allotment

- a. Bank's lockers will be available to any person, having contractual capacity i.e. capacity to enter into a contract. When the Bank lets a Safe Deposit Locker on hire to any person, the contractual relationship between them is established that of a Bailor and a Bailee.
- b. The existing customers of a bank who have made an application for locker facility and who are fully compliant with the Customer Due Diligence (CDD) criteria under Know Your Customer (KYC) Directions may be given the facilities of safe deposit lockers subject to on-going compliance.
- c. Customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker after complying with the CDD criteria under the Know Your Customer (KYC) Directions and subject to on-going compliance.
- d. In order to facilitate customers with lockers, bank 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.
- e. The bank 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. At least, 80% lockers are to be allotted on 'FIRST COME FIRST SERVE' Basis.
- f. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.
- g. Lockers may be hired by providing Necessary KYC Documents as per KYC policy.

A locker should not be hired out to a minor. The Bank will not allow locker to be let out in the single name of a minor as the minor does not possess contractual capacity.

2. Locker Operation

Locker can be operated only during Banking hours. Only one locker will be allowed to be operated at a time, to ensure privacy. The locker should be opened with the key provided by Bank and can be operated as per the mode of operation selected at the time of locker allotment. Locker hirer can provide biometric or physical (signature in presence of bank officer) authentication to access locker. Bank shall record in and out time of locker operation executed by the locker hirer. The locker hirer should check the area to ensure that no articles are left behind and the locker is properly closed. Post locker operation, the Bank shall send E-mail/SMS to the customer as a confirmation. The locker hirer will not be permitted to operate the locker, the rent is in arrears. The locker needs to be operated at regular intervals failing which the locker will be deemed as 'inoperative', even if the rent is being paid regularly. Once the locker is deemed 'inoperative' the locker hirer should provide a letter, as per the mode of operation stating the reason for non-operation of locker and then operate the locker to activate the same. Locker-hirer/s should 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 has the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

3. Addition or deletion of Hirers:

Deletion / Additions of new names to the hired Lockers can be made only when all the existing hirers agree in writing to such a proposal.

The Locker holder may at any point of time approach the Bank Officials for addition / deletion of names to operate the Locker. The Bank Officials should take utmost care and obtain a Letter signed by all the locker holders to either add / delete the name of the concerned person.

ADDITION OF NAMES

- a. The Branch Officials should obtain a letter in writing signed by all the existing Locker holders.
- b. All attested KYC proof's to be taken on record.
- c. Also, a fresh Agreement with regards to addition should be executed by all the locker holders including the new/inducted member.
- d. Thereafter, the mode of operations instruction to be recorded.
- e. Branch Officials to obtain a new specimen form signed by all the Locker holders.

DELETION OF NAMES

- a. The Branch Officials should obtain a letter in writing signed by all the existing Locker holders, except in case of death of one of the locker holders.
- b. Request for deletion of name should be recorded on the Specimen Form along with reference of letter dated addressed by the Locker holder/s.
- c. The Branch Official should affix the stamp and put his signature on the Specimen Form.
- d. The Letter should be attached to the Specimen Form itself.

4. Locker Nomination

- The Bank shall offer nomination facility in case of safe deposit lockers in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985/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.
- Nominee means Entity named or appointed by another (the nominator) to act on its behalf in a limited capacity or in a specific matter. In other words, he is an agent or a trustee.
- Nomination facility is intended only for individuals, and hence, is not available for sole proprietorship concerns, officials etc. Nominee should also be an individual.
- A nominee cannot be an Association, Trust, Society or any other Organization or any office-bearer thereof in his official capacity.
- Addition / Variation/ Cancellation in the nomination in case of safety lockers hired shall be made only by all the safety locker hirers jointly.
- Nomination can be changed any time during the currency and should be signed by all the locker holders.

NOMINATION PROCEDURE

- Branch shall generally insist that the person/s opening a Safe deposit Locker makes a nomination.
- In case the person/s opening Safe deposit Locker declines to fill in nomination, the Bank shall explain the advantages of nomination facility.
- If the person/s opening Safe deposit Locker still does not want to

nominate, the Bank shall ask him to give a specific letter to the effect that he does not want to make nomination.

- In case the person/s opening Safe deposit Locker declines to give such a letter, the Bank shall record the fact on the opening form and proceed with opening of the Locker if otherwise found eligible.
- Under no circumstances, a Bank shall refuse to open Safe deposit Locker solely on the ground that the person opening the Locker refused to nominate.
- This procedure is applicable even in respect of Safe deposit Locker in the name of Sole Proprietary Concerns.
- As per Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985, only Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the Safe deposit Locker holders need not be attested by witnesses.

CHANGE/ CANCELLATION OF A SUBSISTING NOMINATION

- Bank shall allow change/cancellation of a subsisting nomination by all the surviving depositor(s) acting together. This is also applicable to Safe deposit Locker holder having operating instructions "Either or Survivor".
- Bank shall acknowledge in writing to the depositor(s)/ locker hirers (s) the filing of the relevant duly completed Form of nomination, cancellation and / or change of the nomination, if required.

5. Locker Key Lost by the Locker Hirer:

A locker hirer should immediately notify the Bank on the loss of the locker key and place a request for a new key. The cost of the new key will be recovered from the locker hirers. Request letter and the indemnity, will be required to be signed by all the locker hirers, as per the Bank's format. Presence of all the locker hirers will be required at the Bank branch for obtaining a new key. Customer shall handover the lost key to the Bank branch, if found in future.

6. Surrendering Lockers

- Either party (Bank / Hirer), may terminate the Agreement on giving to the other seven days advance notice of such intention in writing prior to the date on which the agreed period of renting terminates and the key of the locker shall in such case be delivered by the Hirer/s to the Bank.
- Lockers are to be surrendered only on the basis of a written request from the Customer (in person) duly signed by all Locker holders. Any exceptions will be handled on a case- to-case basis. Thereafter, the locker holder should submit a letter bearing contents to denote clearly that the locker has been vacated & all the belongings have been removed.
- Further, the Bank Officials shall seek signature of all the Locker holders in the Column mentioned Surrender of Locker on the Specimen Form.
- The Deposit Receipt kept with the Bank under Lien shall be released to the locker holder on obtaining his/her/their signature on the register where it is recorded.
- If the locker is surrendered in the middle of the financial year, rent collected for six months will be retained and balance may be refunded in case of genuine surrender of lockers.
- 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
- 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, banks shall make efforts to intimate their customers suitably at the earliest.
- If a hirer surrenders the locker before the due date of Security Deposit, the deposit will be refunded by treating it as a prepayment. The hirer may also decide for continuance of deposit till its maturity to avoid loss of interest.

7. Break-open of Locker

- Non-payment of locker rent - Bank shall initiate the process of locker break open, if the rent has not been paid by the customers for three years in a row
- If the locker remains inoperative for a long period of time - If the locker remains inoperative for a period of seven years and the locker hirer cannot be located, even if the rent is being paid regularly, Bank shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be.
- On customer request, due to loss of the locker key - Charges for key replacement will be recovered from the locker hirer. Key replacement will be done by an authorised technician in the presence of the locker hirer and the bank official.
- Attachment and recovery of contents by any Law Enforcement Agency - Bank shall inform the locker hirer through a letter and on the registered email-id Mentioning that Government authorities have approached them for attachment and recovery or seizure of the locker or its articles

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. Prior intimation will be sent by the Bank to the locker hirer(s), post which, in case of no response from the locker hirer(s) the locker will be accessed by the Bank in case of non-payment of the locker rent and inoperative locker. If the letter is returned undelivered, a public notice shall be issued in two local leading newspapers, one of which shall be English and another in a vernacular language, giving reasonable time to the locker hirer or to any other person/s who has interest in the contents of the locker, to respond. Content of the locker (if any) will be kept in a sealed envelope, along with the detailed inventory