

# **The Goa State Co-op. Bank Ltd. (GSCB)**



## **SAFE DEPOSIT LOCKER POLICY**

December 2021

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# PREFACE

The ability of the banking industry to achieve its socio-economic objectives and in the process bringing more and more customers into its fold will ultimately depend on the satisfaction of the customers. We have a strong belief that a satisfied customer is the foremost factor in developing our business. It is this belief that has motivated us to live the dream of offering consumers in a State of Goa, a Bank that will epitomize the best in Service Quality and sets a benchmark of Service Excellence. We strongly believe in Responsible Banking to achieve the socio-economic objectives and in the process bringing more and more customers into its fold.

We wish to acknowledge the encouragement and guidance provided by the NABARD, Reserve Bank of India and Indian Banks Association (IBA) to help us bring out this Policy.

All our customers are requested to share their experiences about the various services rendered by the Bank and feel free to comment on this Locker Policy.

The Safe Deposit Locker Policy covers important information about our Locker facilities and services.

Place: Panaji-Goa

Date: 22<sup>nd</sup> December 2021

**Managing Director (I/C)**

# **Safe Deposit Locker Policy**

**Safe Deposit Lockers: Help the Bank to keep your valuables & documents safe.**

## **I. Customer Due Diligence (CDD) for Lockers**

### **Introduction:**

Safe deposit lockers facility is one of the ancillary services extended by Bank at our branches. The locker units will be leased out to customers 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.

The relationship between the banker and the customer of a locker is that of lessor and lessee. Safe Deposit Lockers are safe in strong rooms of the Bank.

In order to facilitate easy and hassle free locker rent recovery, a Savings or Current account be linked to the locker.

### **Secrecy and Confidentiality:**

The Bank will ensure utmost secrecy of the Safe Deposit Lockers hired by the customer and will not divulge any information about hiring of lockers, mode of operation etc. to anyone, except when the disclosure is required to be made with the clear consent of the hirer(s) or in compliance of the orders of a competent authority having statutory powers.

Bank's lockers will be available to any person, having contractual capacity i.e. capacity to enter into a contract in terms of Indian Contract Act 1872. Thus locker can be hired by an Individual singly and / or two or more individuals jointly as well as firms, Limited Companies, Societies, Associations, Clubs etc.

The Bank shall obtain recent passport size photographs along with photocopies of address proof & Identity proof as KYC documents of locker-hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker and preserve in the records pertaining to locker-hirer being maintained in the bank's branch.

### **Customer due diligence:**

Branches will carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. If the customer is classified in a higher risk category, customer due diligence as per KYC norms applicable to such higher risk category should be carried out.

**Measures relating to lockers which have remained un-operated.**

Where the lockers have remained un-operated for more than three years for medium risk category or one year for a higher risk category, branches will immediately contact the locker-hirer and advise him to either operate the locker or surrender it. This exercise will be carried out even if the locker hirer is paying the rent regularly. Further, branches will ask the locker hirer to give in writing, the reasons why he / she did not operate the locker. In case the locker-hirer has some genuine reasons as in the case of NRIs or persons who are out of town due to a transferable job etc., branches will allow the locker hirer to continue with the locker operations. In case the locker-hirer does not respond nor operate the locker, branches will consider opening the lockers after giving due notice to him.

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. This clause is included in the locker agreement.

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.

**Allotment of locker:**

In order to facilitate customers making informed choices, Bank shall maintain a branch wise list of vacant lockers as well as a waiting 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.

- Allotment of lockers shall be based on the duly filled in application of the prospective hirers on the printed format provided by the bank.
- Lockers will be allotted by the branches on first-come-first-serve basis.
- Due diligence of KYC norms, will be duly applied before allotment of locker.
- The Locker holder is permitted to add or delete names from the list of persons who can operate the Locker or have access to it.

The Bank shall acknowledge the receipt of all applications for allotment of locker and provide a waiting list number to the customers, if the lockers are not available for allotment.

**Wait List of Lockers:**

Branches will maintain a wait list for the purpose of allotment of lockers and will ensure transparency in allotment of lockers. All applications received for allotment of locker will be acknowledged by the branch of the bank and provide a wait list number to the customers, if the lockers are not available for allotment.

**Safe Deposit Locker Agreement**

**Safe Deposit Lockers Policy is approved by the Board of Directors of the Bank & the Model Locker Agreement shall be made available as framed by the IBA which shall be in conformity with the revised guidelines issued by RBI.** The Branches of the Bank shall renew their locker agreements with existing locker customers by January 1, 2023.

At the time of allotment of the locker to a customer, the Bank / Branches shall enter into an agreement with the customer to whom the locker facility is provided.

A copy of the locker agreement in duplicate signed by both the parties shall be furnished by the Branches to the locker- hirer at the time of allotment of the locker, if preferred by the customer to know his/her rights and responsibilities. Original Agreement shall be retained with the bank's branch where the locker is situated.

**Breaking Open of Locker:**

Break-open of locker may happen either at the request of the hirer/s or by the bank for defaults in payment of prescribed charges for or for any other reason. Break Open charges shall be recoverable from the hirer/s. Bank shall engage the suppliers of the locker unit to break open the lockers. When the break-open of locker is done at the request of the hirer, the same shall take place in the presence of the hirer or his nominee, as the case may be. When the break-open of locker is done at the instance of the bank, the customer shall be provided notices in advance as per the internal procedures and then it will be broken open by the representative of the manufacturers /suppliers in the presence of two respectable non-staff independent witnesses, in addition to the officers of the branch.

Bank shall have a clear Board approved policy together with a Standard Operating Procedure (SOP) for breaking open the lockers for all possible situations keeping in view the relevant legal and contractual provisions.

The approximate maximum charges for breaking open the locker will be Rs.8000.00 Plus GST per locker by Methodex or Rs.7000.00 Plus GST per locker by Stealage / Kammar or as per the charges quoted by supplier / vendor / manufacturer.

**Fixed Deposit as Security for Lockers:**

To ensure prompt payment of locker rent, at the time of allotment, a minimum fixed deposit shall be obtained by the Bank / Branch which would cover 3 years' rent and the charges for breaking open the locker in case of an eventuality.

The present Locker rent tariff and related service charges based on locker sizes are annexed here below along with proposed FDs (3 Years Rent with Break open charges with GST).

Sr No	Type of Locker	Total Annual Rent with GST (Rs.)	Break open charges with GST (Rs.)	FDs (3 Years Rent & Break open charges with GST) (Rs.)
1	Small	1180.00	9440.00	<b>12980.00</b>
2	Medium	1770.00	9440.00	<b>14750.00</b>
3	Large	2360.00	9440.00	<b>16520.00</b>
4	Extra Large	4130.00	9440.00	<b>21830.00</b>
<b>Penalty</b>				
Sr No	Details (Rs.)	up to 3 Months with GST (Rs.)	Above 3 Months with GST (Rs.)	
1	Up to 1000.00	59.00	89.00	
2	Above 1000.00	177.00	236.00	

**II. Locker Rent:****Rental Tariff and Recovery of Rent:**

Locker rent is charged annually and rent is payable in advance. Locker rent and service charges shall be decided by the Bank depending on their size from time to time.

Sr No	Type of Locker (Rs.)	Total Annual Rent (Rs.)	Total Annual Rent with GST (Rs.)
1	Small	1000.00	1180.00
2	Medium	1500.00	1770.00
3	Large	2000.00	2360.00
	Extra Large	3500.00	4130.00
<b>Penalty</b>			
Sr No	Details (Rs.)	up to 3 Months with GST (Rs.)	Above 3 Months with GST (Rs.)
1	Up to 1000.00	59.00	89.00
2	Above 1000.00	177.00	236.00

In the event of surrender of a locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer by the Bank / Branch.

If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the bank shall publish the public notice in two newspapers (one in English & one in 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.

**Recovery of rent from hirer(s):**

Safe Deposit Locker rent will be payable in advance and in the event of locker rent remaining unpaid, when due, the Bank will have the right to refuse access to the locker and without prejudice to Bank's right to break open the locker. Locker rent will be recovered on annual basis. The lease period of one year will start from the date of hiring the locker and will continue till the preceding day of the corresponding date in the subsequent year.

If the locker is hired in the name of the staff member, either singly or jointly with his / her spouse, a nominal concession will be allowed at the discretion of the Bank. However, a staff member would be eligible to hire only one locker at concessional rent at the bank.

**III. Infrastructure & Security standards:**

**Security of the Strong Room/Vault**

The Bank has taken the 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 assessed 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 area housing the lockers should remain adequately guarded at all times. The Bank shall install Access Control System, if required as per their risk assessment, which would restrict any unauthorized entry and create digital record of access to locker room with time log.

As per their 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.

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.

### **Locker Standards**

All the new 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.

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.

Bank offering if any 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 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.

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.

### **Embossing identification code**

Branches will ensure that identification Code of the bank / branch is embossed on all the locker keys with a view to facilitate Authorities in identifying the ownership of the locker keys by law enforcement agencies in case of need.

Loss of key should be immediately informed to the Locker Hiring Branch by the Locker Hirer.

#### **IV. Locker Operations**

##### **Operations of Safe Deposit Vaults/Lockers:**

Branches will exercise due care and necessary precaution for the protection of the lockers provided to the customer. The Hirer/s can operate the Safe Deposit Locker only on the Bank's working days and during the business hours of the Bank. Before operating the locker, the hirer/s should sign the locker operation register which shall be kept at the bank. The Locker can be surrendered at any time without any damage.

##### **Regular Operations by Customers**

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.

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.

##### **Internal Controls by Bank**

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.

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.

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.

The 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.

## **5. Nomination Facility & Settlement of Claims:**

### **Nominations:**

- Nomination facilities are available.
- Nomination on safe-deposit lockers enables the Bank to release the contents to the nominee of the person hiring in the event of their death. If a locker is held jointly, and one of the people hiring dies, the contents can only be removed jointly by the nominee(s) and the survivors.
- The nomination facility is available to anyone hiring a locker.
- For those hiring on an individual basis; nomination can be made in favour of one individual.
- For those hiring jointly by more than one hirer: more than one nominee can be made. In such scenario no. of nominees are restricted to the no. of joint hirers.
- Unpaid locker rentals are recovered from the nominee
- If the hirer is major and the nominee is minor, the nomination will be made by someone lawfully entitled to act on behalf of the minor.

### **Nomination Facility**

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.

For the various Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Banking 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 account holders need not be attested by witnesses.

Bank shall register the nomination, cancellation and / or variation of the nomination, in their books, made by the locker hirers.

Bank shall acknowledge 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.

**Settlement of Claim:**

Settlement of claim to the nominee or the legal heirs shall be subject to the following: Proper identification and establishing the identity of the survivor(s) / nominee(s) Production of death certificate issued by competent authority. There should not be any order from a competent court restraining the bank from giving access to the locker of the deceased. In case nomination is available, contents of the locker shall be delivered to the nominee after proper identification of the nominee and subject to production of necessary documents. Where no nomination is available, settlement shall be made to the legal heirs as per Bank's claim settlement policy.

**Settlement of Claims in case of death of a Customer**

The Branches shall settle the claims as per Board approved policy for settlement of claims. The policy shall be in conformity with the regulatory instructions and the Model Operational Procedure (MOP) for settlement of claims of the deceased constituents formulated by the IBA and in case of State and Central Co-operative Banks, MOP formulated by NABARD.

Bank shall have a Board approved policy for nomination and release of contents of safety lockers 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 the Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.

The Branches shall ensure that contents of lockers shall be returned to the genuine nominee, as also to verify the proof of death, Bank shall devise their own claim formats, in terms of applicable laws and regulatory guidelines.

Time limit for settlement of claims:

Bank 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.

Bank shall report to the Customer Service Committee of the Board or Board of the Bank or as per Board approved Policy, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased locker-hirers accounts and those pending beyond the stipulated period, with reasons therefore. Customer Service Committee of the Board or Board of the Bank or as per Board approved Policy 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.

### **Access to the articles in the safe deposit lockers**

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.

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

- (i) 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;
- (ii) 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
- (iii) Make it clear to the survivor(s) / nominee(s) that access to articles in the locker is given to them only as a trustee of the legal heirs 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.

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 and the claimant (s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

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, 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.

While giving access to the survivor(s) / nominee(s) of the deceased locker hirer, 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 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, Bank shall adopt a Board approved policy to facilitate access to legal heir(s) / legal representative of the deceased locker hirer.

#### **4. Closure and Discharge of locker items**

The breaking open of the locker shall be 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.

#### **Discharge of locker contents at the request of customer**

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.

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.

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.

### **Attachment and recovery of contents in a Locker by any Law Enforcement Authority**

In case of attachment and recovery of the contents in a locker of a customer 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 Bank shall co-operate in execution and implementation of the orders.

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 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. An inventory of the contents of locker 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.

**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.

### **Discharge of locker contents by Bank due to non-payment of locker rent**

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.

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, Bank 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. Bank 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 found in locker while releasing them to the nominee(s) and surviving locker hirers, unless required by law.

**Discharge of locker contents 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 rent is being paid regularly, the 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. 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.



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.

#### **Appropriation of “Caution Money” towards overdue locker rent and other Bank charges.**

In cases of break-open of lockers carried out by the Bank for non-payment of locker rent, the Caution Money deposited by the hirer/s, will be appropriated for recovery of expenses incurred by the Bank in

- (i) Breaking open the locker,
- (ii) Replacement of lock, and
- (iii) Recovery of Bank's dues on account of overdue locker rent.

#### **Freezing / Unfreezing of Lockers**

The Bank will give due cognizance to orders received from a competent authority having statutory powers for freezing / unfreezing of locker.

#### **Death of the hirer:**

Notice of knowledge of the death of a hirer or a surviving hirer in the case of 'E or S' hirers will be recorded in the Locker Register (L. 7) with date and source of information under the initials of an officer. As a further precaution, a slip reading 'hirer deceased' will be pasted on the locker. Thereafter access to the locker should be allowed on production of legal representation. Access may however be allowed, for making an inventory of the contents with a view to obtaining the necessary legal representation to known heirs of the deceased in the presence of their lawyers / solicitors or to persons authorised by a court for this purpose. Where authority has been given to the survivor or survivors to operate the locker in writing specifically at the time of lease of the locker, in the case of joint account, the question of legal representation does not arise unless the survivor also dies.

Section 45ZE of the Banking Regulation Act, 1949 does not preclude a minor from being a nominee for obtaining delivery of the contents of a locker. However, the responsibility of the branches in such cases will be to ensure that when the contents of a locker were sought to be removed on behalf of the minor nominee, the articles were handed over to a person who, in law, was competent to receive the articles on behalf of the minor.

#### **Procedure for return of contents of Lockers to Survivor/Nominee/Legal heirs:**

In order to ensure that the contents of lockers are returned to the genuine nominee, as also to verify the proof of death, bank has devised our own

claim formats and will also follow the procedure suggested by the Indian Banks' Association /appropriate authorities.

**Access to the safe deposit lockers (with survivor / nominee clause)**

- i. If the sole locker hirer nominates a person, Bank will give to such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker hirer.
- ii. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates person, in the event of death of any of the locker hirers, the bank should give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s).
- iii. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given over to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause, Bank will follow the mandate in the event of the death of one or more of the locker-hirers.

However, Bank will take the following precautions before handing over the contents:

- (a) Branches will 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) Branches will make diligent effort to find out if there is any order from a competent court restraining the bank from giving access to the locker of the deceased; and
- (c) Branches will make it clear to the survivor(s) / nominee that access to locker is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the access is given.

Bank will note that since the access given to the survivor(s) / nominee (s), subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s) / nominee (s) and would, therefore, invite serious supervisory disapproval. In such case, therefore, while giving access to the survivor(s) /nominee(s) of the deceased locker hirer, the bank will desist from insisting on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s).

**Access to the safe deposit lockers (without survivor / nominee clause)**

There is an imperative need to avoid inconvenience and undue hardship to legal heir(s) of the locker hirer(s). 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, the bank will adopt a customer friendly claim procedure, drawn up, then and there, for giving access to legal heir(s) / legal representative of the deceased locker hirer. The Bank shall also be guided by the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.

Further, in case the nominee/ survivor(s) / legal heir(s) wishes to continue with the locker, Bank may enter into a fresh contract with nominee/survivor(s) / legal heir(s) and also adhere to KYC norms in respect of the nominee/ legal heir(s).

**Surrender of Locker:**

Locker can be surrendered by the hirer/s at any time during the contract period through a written application and handing over of keys to the Bank Officials. Bank can also request for surrender of locker with due notice. In cases where the hirer wishes to surrender the locker before expiry of existing lease period, surplus of rent over the 12 months' tenure, if any, will be refunded. Surrender of the locker after expiry of the lease period, will be allowed on payment of arrears of locker rent, at the stipulated rate structure.

**Other aspects:**

✓	The Bank will exercise due care and necessary precautions for the protection of lockers and the locker hirer while operating the locker. The security procedure will be well documented.
✓	In all cases except where locker is continued to be used by surviving hirers, locker key will be taken back from nominee / claimants, by terminating the original contract.
✓	In case the claimant does not have the locker keys, locker needs to be broken open. This shall be done post obtaining documentation and approval.
✓	Nomination, cancellation or variation in existing nomination can be made either at the time of hiring of the locker or subsequently at any time during occupancy of the locker.
✓	The prescribed form of nomination or cancellation / variation of nomination, as the case may be obtained from hirer/s duly completed in all respects, which will be recorded in a register maintained with the Bank and an acknowledgement given to the hirer.

✓	No notice of claim of any person, other than hirer/s of a locker, will be entertained by the Bank. The Bank is also not bound by any such notice even though expressly given, 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 Bank, the Bank shall take due note of such decree, order, certificate or other authority.
✓	Where the hirer/s prefers not to nominate, the same will be recorded in the application form.
✓	In case of death of Locker hirer & if there are no nominee, mentioned in the old application form, then we may send letters at the address of the Locker Hirer. If nobody, claims the Locker then we may publish a notice in the local news paper & Break open lockers as per guidelines

**Disclaimer:**

The Bank will, in no way, be responsible / liable for the contents/articles kept in the locker by the hirer. In case of theft, burglary or similar unforeseen events, action will be initiated as per law.

**Force Majeure:**

Bank shall not be liable if any transaction does not fructify or may not be completed or for any failure on part of the bank to perform any of its obligations contemplated hereunder if performance is prevented, hindered or delayed by a force majeure event (defined below), and in such case its obligations shall be suspended for so long as the Force Majeure. “Force Majeure Event” means any event due to any cause beyond the reasonable control of the Bank, including without limitations, unavailability of any communication systems, breach, or virus in the processes or payment or delivery mechanism, sabotage, fire, flood, explosion, natural disasters or other “Acts of God”, war, damage to the bank’s facilities or of its correspondent bank(s), civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking, unauthorized access to computer data and storage devices, computer crashes, malfunctioning in the computer terminal or the systems getting affected by any malicious, destructive or corruptive code or program, mechanical or technical errors/failures or power shut down, faults or failures in telecommunication etc., which prevents it from performing its obligations within the specified service delivery parameters.

**Right to alter or add Rules:**

The Bank reserves the right to alter or add to these rules and such alteration and additions shall be binding on the account holder. Such alteration will be made known to the account holder through website.

## **6. Compensation Policy / Liability for Bank**

### **Liability of Bank**

The Bank shall put in place a detailed Board approved policy outlining the responsibility owed by them for any loss or damage to the contents of the lockers due to their negligence as 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.

### **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. Bank shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

### **Liability of Bank 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 their 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. i.e. the liability of Bank will be limited to 100 times its annual rent in case of fire, theft, building collapse or frauds by bank employees which shall come into effect from January 1, 2022.

The Locker hirer should not keep anything illegal or hazardous in lockers.

**The bank shall have a comprehensive board approved policy detailing the liability owed by them for any damage or loss to the contents of the lockers owing to their neglect.**

**The RBI in the guidelines has said Bank need to 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.**

## **8. Risk Management, Transparency and Customer Guidance**

### **Branch Insurance Policy**

Bank has approved insurance policy which will minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch, etc., affecting contents of lockers.

### **Insurance of locker contents by the customer**

The Locker Agreement clarifies that as Bank does 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.**

### **Customer guidance and publicity**

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 by them for public viewing. The Bank shall ensure that the customers are made aware of the bank's terms and conditions to avail those facilities.

Bank shall display updated information on all kinds of charges for safe deposit lockers on their websites.

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

The Safe Deposit Locker Policy is subject to review from time to time depending upon the changes in the Regulations Governing this Policy.

This Policy is approved vide Resolution No. 12 in Board of Directors Meeting held on 17<sup>th</sup> January 2022.