



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
[www.rbi.org.in](http://www.rbi.org.in)

RBI/2012-13/180

UBD.BPD.(PCB)CIR No.6/13.01.000/2012-13

August 30, 2012

The Chief Executive Officers  
All Primary (Urban) Co-operative Banks

Dear Sir,

**Premature Repayment of Term/Fixed Deposits in banks with  
“Either or Survivor” or “Former or Survivor” mandate – Clarification**

Please refer to paragraph 4 of our [circular UBD.BPD.\(PCB\)CIR No.11/13.01.000/ 2011-12 dated November 17, 2011](#) whereby we had advised that in case joint depositors of term/fixed deposits with “Either or Survivor” or “Former or Survivor” mandate intend to allow premature withdrawal of their deposits by one of the joint depositors on the death of the other, it would be open for banks to allow the same, provided they have taken a specific joint mandate from the depositors for the said purpose. In this regard you may also refer to Paragraph 3 of our [circular UBD.BPD.Cir.No.4/13.01.00/2005-06 dated July 14, 2005](#) in terms of which, Urban Co-operative Banks (UCBs) were advised to incorporate a clause in the account opening form itself to the effect that in the event of death of the depositor, premature termination of term deposits would be allowed subject to the conditions which they may specify therein. UCBs were also advised to give wide publicity to the above and provide guidance to deposit account holders in this regard.

2. It is reiterated that in case of term deposits with “Either or Survivor” or “Former or Survivor” mandate, UCBs are permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect.

---

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंजिल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: [rbiubdco@rbi.org.in](mailto:rbiubdco@rbi.org.in)

Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India  
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: [rbiubdco@rbi.org.in](mailto:rbiubdco@rbi.org.in)

बैंक हिन्दी में पत्राचार का स्वागत करता है —

3. UCBs which have neither incorporated such a clause in the account opening form nor taken adequate measures to make the customers aware of the facility of such mandate, cause unnecessary inconvenience to the “surviving“ deposit account holders(s). UCBs are, therefore, advised to invariably incorporate the aforesaid clause in the account opening form and also inform their existing as well as future term deposit holders about the availability of such an option.

4. The joint deposit holders may be permitted to give the mandate either at the time of placing fixed deposit or anytime subsequently during the term/tenure of the deposit. If such a mandate is obtained, banks can allow premature withdrawal of term/fixed deposits by the surviving depositor without seeking the concurrence of the legal heirs of the deceased joint deposit holder. It is also reiterated that such premature withdrawal would not attract any penal charge.

5. The clarification provided in this circular would supersede paragraph 3 of circular UBD.BPD.Cir.No.4/13.01.00/2005-06 dated July 14, 2005.

Yours faithfully,

(A.Udgata)  
Chief General Manager-in-Charge