

RBI/2008-2009/27

DGBA.CDD No. H – 1 / 13.01.299 / 2008-09

July 1, 2008
Aashadha 10, 1930 (S)

The Chairman / Managing Director
State Bank of India and Associate banks
17 Nationalized banks
ICICI Bank Ltd / IDBI Bank / HDFC Bank Ltd / Axis Bank Ltd
Stock Holding Corporation of India Ltd

Dear Sir

Master Circular on Nomination Facility in Relief / Savings Bonds

The Department of Government and Bank Accounts, Central Office, RBI has been issuing instructions relating to nomination facility for Relief / Savings bond holders from time to time. In order to enable Public Debt Offices/Agency Banks to have all the currently operative instructions on the above subject at one place, Master Circular on nomination facility in Relief / Savings Bonds has been prepared which is updated upto 30th June every year. Accordingly, the amended circular giving the updation upto 30.06.2008 is enclosed. You may also access the circular on our website www.rbi.org.in

Please acknowledge receipt.

Yours faithfully,

(Indira Nanu)
General Manager

Master Circular
NOMINATION FACILITIES
FOR
RELIEF/SAVINGS BOND HOLDERS



RESERVE BANK OF INDIA
DEPARTMENT OF GOVERNMENT AND BANK ACCOUNTS
Central Debt Division
Central Office, Mumbai

Master Circular

**Relief Bond / Saving Bond Schemes
Nomination facility**

- i. A sole holder or a sole surviving holder of a Bond in the form of Stock Certificate/ Bond Ledger Account (BLA) may nominate one or more persons who shall be entitled to the Bond and payment thereon in the event of his/her death, provided that the person or each of the persons nominated is himself / herself competent to hold a similar bond.
- ii. The nomination should be made before maturity of the bond.
- iii. When two or more persons are nominated, in the event of the death of a nominee, the title to the bonds vests in the surviving nominee/s.
- iv. A nomination made by a holder of a BLA may be varied by a fresh nomination or may be cancelled by giving notice in writing to the Reserve Bank of India/designated branch of authorised public/private sector bank.
- v. If the nominee is a minor, the holder of a BLA may appoint any person to receive the Bond/amount due in the event of his/her death during the minority of the nominee.

(Ref. Memorandum of Procedure Page 3)

- vi. The BLA holders are allowed to make separate nomination for each deposit comprised in the BLA even if the deposit in BLA relates to earlier period.

(Ref.CO.DT.13.01.201/4854/2000-01 dt.19-3-2001)

- vii. Offices/Agency Banks may issue 'Acknowledgement of Nomination'.

(Ref.CO.DT.13.01.201/4087/2000-01 dt.16-2-2001)

- viii. In case of 6.5 % Savings Bonds, 2003 (Non-Taxable) and 8 % Savings (Taxable) Bonds, 2003, the sole holder can nominate a Non-resident Indian (NRI) as his/her nominee in respect of interest/redemption value of the investment in the bonds. In regard to foreign remittance of interest payment and/or maturity value, as the case may be, NRIs will be governed by the normal regulations as applicable to them.

(Ref.CO.DT.13.01.298/H-3410/2003-04 dt.20-12-2003)

(Ref.CO.DT.13.01.299/H-3426/2003-04 dt.20-12-2003)

(Ref.CO.DT.13.01.298/H-4911A/2003-04 dt.9-3-2004)

Exceptions – No nomination is permissible in the following cases:-

- (a) When the Certificate/BLA is held by an adult on behalf of a minor;
- (b) When the holder has no beneficial interest in the Certificate but holds it in an official or fiduciary capacity; and
- (c) When the Certificate is held by two persons jointly and both holders are alive.

(Ref Para 112 of Govt. Securities Manual Page 95)

Cancellation of Nomination: A nomination in respect of Savings Bond will stand cancelled in the following circumstances:

- (a) If the holder applies to the Office for substitution or cancellation and the substitution or cancellation is duly registered by the office.
- (b) If the holder transfers the Certificate. **(Ref. Para 113 of Govt. Securities Manual – Page 96)**

(In case detailed clarifications are required on specific issues, the circulars/indicated above may please be referred to.)