

RBI/2008-09/477

RPCD.CO.RRB.BC.No.103/03.05.28-A/2008-09

May 13, 2009

All Regional Rural Banks

Dear Sir,

**Banking Companies (Nomination) Rules, 1985 – Acknowledgement of Nomination and indicating the Name of the Nominee in Pass Books / Fixed Deposit Receipts**

It has been brought to our notice that some Regional Rural Banks (RRBs) do not have the system of acknowledging the receipt of the duly completed form of nomination, cancellation and /or variation of the nomination. Further, it is also understood that in some RRBs, although there is a system of acknowledgement of nomination as provided in the Savings Bank account opening form, such acknowledgements are actually not given to the customers. In this connection, you may be aware that in terms of Rules 2 (9), 3 (8) and 4 (9) of the Banking Companies Nomination (Rules), 1985, they are required to acknowledge in writing to the depositor(s) / locker hirers (s) the filing of the relevant duly completed Form of nomination, cancellation and / or variation of the nomination.

2. Regional Rural Banks are therefore advised to strictly comply with the provisions of Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985 and devise a proper system of acknowledging the receipt of the duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement should be given to all the customers irrespective of whether the same is demanded by the customers or not.

3. When a bank account holder has availed himself/herself of nomination facility, the same may be indicated on the passbook so that in case of death of the account holder, the relatives can know from the pass book that the nomination facility has been availed of by the deceased depositor and take suitable action. RRBs may, accordingly, introduce the practice of recording on the face of the passbook the position regarding availment of nomination facility with the legend "Nomination Registered". This may be done in the case of term deposit receipts also.

4. In addition, RRBs are also advised to indicate the name of the Nominee in the Pass Book/ Statement of Accounts/ FDRs, in case the customer is agreeable to the same, as this would be helpful to the customers/nominees.

Yours faithfully,

(B.P. Vijayendra)  
Chief General Manager