

Banks to register Nomination Facility in Deposit Accounts in Passbooks

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The Reserve Bank of India has decided to introduce the practice of recording on the face of the passbooks the position regarding availment of nomination facility. The banks will now be able to record on the face of the passbook the position regarding availment of nomination facility by a depositor. The bank will record this on the passbook with a legend "Nomination Registered". The facility intends to facilitate expeditious settlement of claims by banks in the accounts of deceased depositors and to minimise hardship caused to the family members of the deceased depositors in this regard. This facility is also extended to term deposit receipts.

The Reserve Bank of India has take the decision after considering a suggestion that when a bank account holder has availed himself of nomination facility, it may be indicated on the passbook issued so that, in case of death of the account holder, his relatives can know from the passbook that the nomination facility has been availed of by the deceased depositor and take suitable action.

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