



Facility of Nomination in Deposit Accounts, Articles in Safe Custody and Safe Deposit Locker (SDL)

The nomination facility is intended to facilitate expeditious settlement of claims by banks upon death of a deceased customer and to minimise hardship faced by the family members. The Government of India has notified the Banking Laws (Amendment) Act, 2025 which inter-alia has amended the Sections 45ZA, 45ZC and 45ZE of the Banking Regulation Act, 1949 (the Act). The Banking Companies (Nomination) Rules, 2025 have also been notified which along with amended provisions of the Act shall come into force from November 1, 2025.

As per the Notification No. CG-DL_E_27102025_267177 dt. 27.10.2025 issued by Govt of India, Ministry of Finance, Department of Financial Services, the Rules shall be called as “**The Banking Companies (Nomination) Rules, 2025**” and this shall come into force from 01st November 2025.

1. These Rules shall apply to

- **Deposit** - The nomination by the depositor, or as the case may be, all the depositors together, in respect of a deposit held by a branch to the credit of one or more individuals, may be made in favour of one or more individuals, but not exceeding four, either successively or simultaneously.
- **Articles in Safe Custody** - The nomination to be made by an individual in respect of articles left in safe custody with a branch shall be in favour of one or more individuals not exceeding four, successively.
- **Safety Lockers (Safe Deposit Locker)** - The nomination to be made by an individual or as the case may be, all the individuals together, who hire a locker whether such locker is located in the safe deposit vault of branch or elsewhere, shall be in favour of one or more individuals not exceeding four, successively.

General Provisions Amendment –

As per the amendment, the words “**one person**” In the Banking Regulation Act of 1949, in section 45ZA, — in sub-section (1), has been substituted with the words “**one or more persons not exceeding four, either successively or simultaneously**”

The following sub-sections has been inserted, After sub-section (1): -

(1A) Where the nomination is made **successively in favour of more than one person** under sub-section (1), the nomination shall be **effective only in favour of one person in the order of priority**, as specified in section 45ZG.

(1B) Where the nomination is made **simultaneously in favour of more than one person** under sub-section (1), the nomination shall be **effective in favour of all such persons in proportion to which it is declared**, and the following terms and conditions shall apply, namely: -

- (a) **the nomination shall not be made in favour of more than four persons;**
- (b) the nomination shall explicitly state the proportion of amount of deposit in percentage in favour of each nominee;
- (c) the nomination shall be made in respect of the whole amount of deposit; i.e. 100%
- (d) if any nominee dies before receiving deposit from the branch, the nomination in respect of such nominee alone shall become ineffective and the amount of deposit purported to be nominated in favour of deceased nominee shall be treated, as if nomination had not been made in respect of that portion of deposit, and any nomination which does not comply with any of the terms and conditions specified in clauses (a) to (c), shall be invalid, as if nomination had not been made by the depositor or all the depositors together, as the case may be.”.

The amendments pertaining to Nomination in Safe Deposit & Safe Deposit Locker (SDL) are as under:

It shall now be governed with following provisions of the said act 45ZC, 45ZE and 45ZF-

1. In the Banking Regulation Act of 1949, in section 45ZC, in sub-section (1), for the words **“one person”** has been substituted with the words **“one or more persons not exceeding four, successively”** i.e. **The nomination in SDL shall be only “Successive” in nature.**
2. In the Banking Regulation Act of 1949, in section 45ZE, for sub-section (1), the following sub-section has been substituted **“Where one or more individuals hire a locker from a branch, whether such locker is located in the safe deposit vault of such branch or elsewhere, the individual or, as the case may be, all the individuals together, may nominate one or more persons not exceeding four, successively, to whom, in the event of the death of the sole hirer or the death of all the hirers, the branch may give access to the locker and liberty to remove the contents of the locker.”**
3. In the Banking Regulation Act of 1949, after section 45ZF, the following section has been inserted, namely: — **“45ZG.,**
 - 1) Where the nomination is made in favour of more than one person successively** under sub-section (1) of section 45ZA or sub-section (1) of section 45ZC or sub-section (1) of section 45ZE, the **nomination shall be effective only in favour of one person in the following order of priority, namely: —**
 - (a) Nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination;
 - (b) Nomination of the second nominee shall become effective only after the death of the first nominee nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominees whose names are higher in the order of nomination.
 - 2) Where the order of nomination is not mentioned, persons shall be deemed to have been nominated in the order in which their names appear in the nomination.**

Preliminary Information

- 1.Effective Date-** These Directions have come into force with effect from November 1, 2025.
- 2.Applicability-** These Directions shall apply to all banks.

3. Definitions- In these Directions, unless the context otherwise requires,

(a) **‘Act’** refers to the Banking Regulation Act, 1949.

(b) **‘Bank’** refers to a banking company, corresponding new bank, State Bank of India, Regional Rural Bank and Cooperative Bank, as defined in the Act.

(c) **‘Rules’** refers to the Banking Companies (Nomination) Rules, 2025.

4. Nomination Facility-

(1) A bank shall offer nomination facility in deposit accounts in accordance with the provisions of sections 45ZA, 45ZB and 45ZG of the Act (read with section 56 of the Act when applied to cooperative banks) and the Rules.

(2) A bank shall be guided by the provisions of sections 45ZC to 45ZG of the Act (read with section 56 of the Act when applied to cooperative banks) and the Rules in the matter of nomination in safe deposit lockers and articles kept in safe custody.

Explanation: For the purpose of these Directions, it is clarified that if an individual is keeping an account for his/ her proprietorship business, it will be deemed as that individual’s account and the nomination facility shall be offered in such accounts.

5. Option to the customers not to make a nomination-

(1) At the time of account opening, a bank shall explicitly inform the prospective customer of the availability and purpose of the nomination facility and offer him/her the option to avail the same. The bank shall also clearly explain to the prospective customer the advantages of the nomination facility, including but not limited to simplification of the claim process in the event of the account holder’s demise and facilitation of smooth and prompt transfer of funds to the nominee without legal complications.

(2) If the prospective customer chooses not to avail the nomination facility despite being fully informed, the bank shall proceed to open the deposit account without imposing any restrictions, if otherwise found eligible, after obtaining a written declaration from the individual confirming that he/ she does not require the nomination facility at the time of account opening. If he/she refuses to provide the written declaration, the bank shall record the fact of refusal to submit written confirmation in the account opening records.

(3) Under no circumstances shall a prospective customer be denied or delayed in opening an account solely on the ground of refusal to make a nomination, provided all other requirements for account opening are satisfactorily met.

6. Incidental Matters

In case of simultaneous nomination, if any nominee dies prior to receiving the deposit from the bank, the nomination in respect of such nominee alone shall become ineffective. Accordingly, a bank shall settle the claims of the amount of deposit made in favour of such nominee in accordance with provisions applicable for accounts

without nominee clause as contained in Reserve Bank of India (Settlement of Claims in respect of Deceased Customers of Banks) Directions, 2025 as amended from time to time.

7. A bank cannot claim a valid discharge under the provisions of the Act if payments are made to individuals based on nomination made under any other law for specified purposes.

8. A bank shall have in place appropriate systems and procedures to register in its books the registration, cancellation and variation of the nomination, as per the request of the customers.

9.(1) A bank shall devise proper systems for acknowledging the receipt of the duly completed forms of registration, cancellation and/ or variation of the nomination.

(2) A bank shall verify and ensure that the nomination(s) made by its customers are in accordance with relevant provisions of the Act and the Rules before providing acknowledgement to them.

(3) Such acknowledgement shall be given to the customers within three working days of receiving the forms of registration, cancellation and/ or variation of nomination, irrespective of whether the same is asked for by the customers.

(4) Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, the bank shall inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form.

10. Details of nomination and name of nominee in Passbook/ Statement of Account and Term Deposit Receipt (TDR)-

(1) A bank shall record the status regarding registration of nomination on the face of the passbook/ Statement of Account and TDR, with the legend "Nomination Registered".

(2) A bank shall also indicate the name of the Nominee(s) in the Passbook/ Statement of Accounts and TDR in such cases.

11. Customer guidance and publicity of benefits of nomination-

(1) A bank shall give wide publicity and provide guidance to deposit account holders, locker hirers and depositors of articles in safe custody on the benefits of the nomination facility. This may include printing compatible messages on cheque book, passbook and other literature reaching the customers as well as launching periodical awareness drives.

(2) A bank shall ensure that the form for opening deposit accounts, hiring safe deposit lockers and depositing articles in safe custody contains space for getting the details of nomination, which also serves the purpose of educating the customers about availability of such facility.

12. Repeal Provisions

(1) With the issuance of these Directions, the instructions contained in the circulars mentioned in Annex, issued by the Reserve Bank, shall stand repealed from the effective date of these Directions.

(2) Notwithstanding the repeal provisions, anything done or any action taken under the repealed instructions shall be deemed as valid, so long as they were done or taken in conformity with those instructions.

13.1 The nomination shall be made either in,—

(a) the Nomination Form

(b) the electronic or digital mode ("e-nomination") from Ind Smart/Net Banking

13.2 Bank shall permit e-nomination to the Customers —

(a) To enable the depositor, or as the case may be, all the depositors, to nominate one or more individuals not exceeding four, either successively or simultaneously;

(b) Bank shall obtain all necessary details prescribed in the Nomination Form or e-nomination;

(c) Bank shall ensure that the nomination is authenticated, validating and confirming the credentials of the depositor; and

(d) There will be a system of alerting the depositor for all nominations made.

13.3 The methods of authentication of nomination shall include, —

- (a) Electronic Signature;
- (b) Electronic authentication technique that is reliable and specified in the Second Schedule to the Information Technology Act, 2000; and
- (c) Internet or Mobile banking application:

Provided that in case of **methods (a) and (b)** of authentication, a **single factor authentication**, which validates and confirms the credentials of the depositor making the nomination shall be sufficient, and in case of **method (c)**, a minimum **two factor authentication**, that validates and confirms the credentials of the depositor making the nomination shall be mandatory.

14. Other Aspects Related to Nomination-

- The nomination shall be made only in respect of deposits which are held in the individual capacity of the depositor and not in any representative capacity as the holder of an office or otherwise.
- Where the nominee is a minor, the depositor or, as the case may be, all the depositors together, may, while making the nomination, appoint another individual not being a minor, to receive the amount of the deposit on behalf of the nominee in the event of the death of the depositor or, as the case may be, all the depositors during the minority of the nominee.
- In the case of a deposit made in the name of a minor, the nomination shall be made by an individual lawfully entitled to act on behalf of the minor.
- The variation or cancellation of the previous nomination or e-nomination made by the depositor or all the depositors together shall be through subsequent nomination or e-nomination.
- Every subsequent nomination shall cancel the previous nomination, or vary it, as the case may be.
- A nomination, cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the deposit is held by a branch to the credit of the depositor or depositors, as the case may be.
- In the case of a deposit held to the credit of more than one depositor, the cancellation or variation of a nomination shall not be valid unless it is made by all the depositors.
- The branch shall acknowledge in writing or in electronic or digital mode, to the concerned depositor or depositors, the filing of the Nomination Form, or e-nomination and also the fact of cancellation or variation of nomination.
- The duly completed Nomination Form or e-nomination or subsequent cancellation or variation of nomination shall be registered in the books of the bank, either physically or electronically.
- A nomination or cancellation of nomination or variation of nomination shall not cease to be in force merely by reason of the renewal of the deposit.
- If an individual, or a group of individuals, as the case may be, who has made a nomination in respect of a deposit, desires to have that nomination extended to his or their other accounts in the same bank, a request may be made to the said effect to the bank, and once accepted by the bank, it shall be treated as if a separate nomination has been made for each of those accounts.
- If, by mistake or otherwise, a nomination is made in the Nomination Form in favour of more than four individuals, the names of the first four individuals appearing in the order, shall be recognised.

15.Nomination in respect of articles in safe custody-

The nomination to be made by an individual in respect of articles left in safe custody with a branch shall be in favour of one or more individuals not exceeding four, successively.

16.Nomination in respect of safety lockers-

The nomination to be made by an individual or as the case may be, all the individuals together, who hire a locker whether such locker is located in the safe deposit vault of branch or elsewhere, shall be in favour of one or more individuals not exceeding four, successively.
