

(Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with the Banks) Directions, 2025

The nomination facility is intended to facilitate expeditious settlement of claims upon death of a customer and to minimise hardship faced by the family members. With reference to RBI circular RBI/2025-26/95 DOR.MCS.REC.59/01.01.003/2025-26 Dated October 28, 2025, and Banking Laws (Amendment) Act, 2025, depositors has the flexibility to make nominations as per their preference, allow Multiple Nominations (up to 4), ensuring uniformity, transparency, and efficiency in claim settlement.

Nomination is a provision which allows the Sole Depositor or all the Depositors together to nominate one or more persons not exceeding four either successively or simultaneously to whom in the event of the death of the sole depositor or the death of all the depositors, the amount of deposit may be returned.

Benefits of Nomination

- ✓ Faster processing and settlement of deceased Claim
- ✓ Simplified Documentation
- ✓ Avoid Legal Complications
- ✓ Financial Security for dependents

Important Features as per Banking Companies (Nomination) Rules, 2025.

- ✓ **Multiple Nominations:** Customers may nominate up to four persons, either simultaneously or successively, thereby simplifying claim settlement for depositors and their nominees.
- ✓ **Nomination for Deposit Accounts:** Depositors may opt for simultaneous or successive nominations, as per their preference.
- ✓ **Nomination for Articles in Safe Custody and Safety Lockers:** For such facilities, only successive nominations are permitted.
- ✓ **Simultaneous Nomination:** Depositors may nominate up to four persons and specify the share or percentage of entitlement for each nominee, ensuring that the total equals 100 percent and enabling transparent distribution amongst all nominees.

- ✓ **Successive Nomination:** Individuals maintaining deposits, articles in safe custody, or lockers may specify up to four nominees, where the next nominee becomes operative only upon the death of the nominee placed higher, ensuring continuity in settlement and clarity of succession.
- ✓ Depositor can either do Successive Nomination or Simultaneous Nomination and NOT both for deposit accounts.

Simultaneous vs Successive Nomination

Simultaneous Nomination	Successive Nomination
Upto Four Nominees Allowed	Upto Four Nominees Allowed
Where the nomination is made simultaneously in favour of more than one person the nomination shall be effective in favour of all such persons in proportion to which it is declared.	Where the nomination is made successively in favour of more than one person, the nomination shall be effective only in favour of one person in the order of priority
Percentage Share of each Nominee to be stated in the nomination form. Total share of all Nominees to be 100% of the amount of deposit.	Priority order i.e. 1st, 2nd, 3rd and 4th of all the nominees (maximum 4) to be stated in the nomination form. At any point of time there will only be one effective Nominee, who will be higher in order than any other Nominee.
On Depositor's death: <ul style="list-style-type: none"> 1) Surviving Nominees to be paid their shares 2) Shares of deceased Nominees to be treated as if not nominated. 	On Depositor's death: <p>Where the nomination is made successively in favour of more than one person under the nomination shall be effective only in favour of one person in the order of priority specified in section 45ZG.</p> <p>Nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominees</p>

	whose names are higher in the order of nomination
For Safe custody and Lockers Simultaneous Nomination is NOT allowed	<p>Successive Nomination of up to 4 Nominees allowed</p> <p>Successive Nomination will be effective on the same lines as for Deposit Accounts as stated under change mentioned hereinabove.</p>

Key Points while Nominating

- ✓ 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.
- ✓ Nomination is also available for Sole Proprietorship Accounts.
- ✓ Wherever Deposit Account/Locker is held in joint capacity Nomination Form should be signed by all the account holders irrespective of the Mode of Operations (MOP) for availing Nomination facility
- ✓ 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
- ✓ While Nomination is an option at the time of Account opening, Customers may opt for Nomination at any point of time considering the benefits and advantages. In case, customer opts out, a written declaration would be required that he does not require Nomination.
- ✓ 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.