

## **SOP for Locker Operations**

### **1. Brief Background**

Safe deposit locker facility is a service provided by the Bank to its customers for keeping their valuables in the safe deposit lockers, Bank provides specially designed lockers and different sizes kept in specially built strong rooms for keeping the valuables of the customers/locker-holders/ licensees.

### **2. Scope & Objective:**

- a) To decide locker holder eligibility for availing locker facility.
- b) To carry out customer due diligence for both new and existing customers as per RBI directions.
- c) To provide ease to the customers in operation of locker.
- d) To exercise due care and necessary precaution for the protection of the lockers provided to the customers.

### **3. Eligibility for availing Safe Deposit Vault / Safe Deposit Locker facility:**

- 3.1 The Safe Deposit Vault / Safe Deposit Locker Facility can be offered to existing as well as prospective customers.
- 3.2 Lockers could be licensed to individuals, either singly or jointly, Partnership Firms, Limited Companies, Associations and Clubs but not to minors.
- 3.3 While licensing lockers to partnership firms, companies, societies, government departments, HUFs, all formalities required for opening and operating account should be complied with.
- 3.4 While hiring / allotting to joint-holders (other than individuals) clear instruction on operations and closure should be obtained and the Branch should comply with such instructions without exception.
- 3.5 Branches may extend locker facility to Visually Challenged customers after taking necessary precautions on the following viz.
  - a) Suitable lockers conveniently located for operations may be allotted (if available).
  - b) A visually impaired customer may be given the following options for operation of locker:
    - i. Singly.
    - ii. Singly with the assistance of a reliable person, as per the choice of the Applicant.
    - iii. Jointly.
  - c) As far as possible, visually challenged person should be encouraged by branch to open locker jointly with person having normal vision.
  - d) The locker facility may be offered to visually impaired person in his single name and allotting the locker in joint names would not be instated upon. However, the locker licensee will open the locker with the use of the allotted key and the branch officials should not offer any assistance for this purpose, other than using the master key for opening of the locker and locating the locker.

- e) If for locker operation, visually challenged person brings an assistant for convenience; an application to be obtained from him/her stating to allow such assistant for locker operation along with copy of any valid government identity card of that assistant.
- f) In case, the locker licensee desires to avail the help of third party in operating the locker, it should be allowed by branches with proper records. However, before allowing the locker licensee, the details of the third party such as name, address, relationship with the locker licensee etc. should be recorded in the locker register. A confirmation should also be obtained from the locker licensee regarding the identity of the third party and that the access to third party is at the full risk and responsibility of such Licensee.
- g) **Bank procedure for issuing a locker to a visually impaired customer must be the same as to any other customer.**

#### **4. Allotment of Lockers**

- 4.1** The locker shall be provided on first-cum-first-serve basis provided the applicant is eligible for the same and is complying with the KYC norms.
  - a) Customers can now apply Locker online also through Bank's Website. Whenever any prospective customer applies for locker online, he/ she will get acknowledgement and concerned branch will also get notification on official email ID. Branch shall contact such customers for allocating them lockers.
  - b) If there is no locker available in branch as per the choice of customer, his/her request shall be entered in waiting list register by branch and further accordingly, allocation is to be made on first-cum-first-serve basis.
- 4.2** The request received from the customer should be registered and filed properly, so that the applicant can be contacted as per order of wait list to avail the facility.
- 4.3** If any licensee vacates a locker or the branch acquires a new locker cabinet, the allotment of locker should be as per the order of waitlist maintained at the branch. A written communication should be sent either through electronic mode or by registered post to the applicant's address giving him/her sufficient / reasonable time, 15 days to avail the facility. Failure to avail the facility would result in automatically passing on the facility to the succeeding applicant.

#### **4.4 Documents for allotment of lockers / Customer Due Diligence (CDD)**

- a) Application for locker can be from existing customers or from prospective customers. In case of existing customers such as Saving Bank Account / Current Account / Term Deposit Account, etc., KYC and CKYC need to be verified and proper documents to be obtained. In case of Re-KYC/High Risk customers, branch should obtain KYC document and invariably conduct Customer Due Diligence.
- b) In case of new customers, no transaction or account-based relationship shall be undertaken without following the Customer Due Diligence Procedure. No account shall be opened where the branch is unable to apply appropriate Customer Due Diligence measures, either due to non-cooperation of customer or non-reliability of the document/ information furnished by the customer.
- c) Application for Allotment of Locker and Agreement for letting of Safe Deposit Locker constitutes the basic document to be secured from the customer, it should be duly

stamped at the time of execution (as per the applicable stamp duty of the respective state). While renewing the license, there is a need to secure fresh Agreement for letting of Safe Deposit Locker a per revised format. The revised guidelines will be applicable to both new and existing safe deposit locker and the safe custody of articles facility. **Branches to ensure that renewed agreement for letting of Safe Deposit Locker with existing locker customer is obtained.** A copy of the Agreement for letting of Safe Deposit Locker in duplicate signed by both the parties shall be furnished to the locker-hirer to know his / her rights and responsibilities. Original Agreement for letting of Safe Deposit Locker shall be retained with the bank's branch where the locker is situated.

- d) The Licensee should furnish KYC details such as, name, address, occupation / business, operational mandate, telephone number and other relevant details while opening the account. The locker should be allotted after securing approval of the Branch Manager/ Branch authorized officials.
- e) Specimen signature of the licensee should be obtained on the specimen signature card and the officer-in-charge should duly attest it. The specimen signature cards should be kept under proper custody.
- f) When the locker is issued in joint names, access to the locker is to be allowed as per mandate. Clear instructions regarding operation and surrender of the locker should be obtained at the very outset to avoid future complications. It should be ascertained whether any one or more or all the parties will operate the locker and in case of demise of one of the account holders, whether access is to be allowed to the survivor's with or without the presence of the legal heirs of the deceased.
- g) If a locker is issue in the name of a partnership firm, a partnership declaration and clear instructions regarding operation and surrender of the locker signed by all the partners should be obtained.
- h) While permitting addition of new names to the account, branches should obtain fresh license agreement. It should be ensured that at least one original allottee continues, under all circumstances.
- i) If the licensee/s desires to delegate the authority for operating the lockers, branches should insist on a duly executed Power of Attorney and should incorporate such details in operation mandate. Branches should obtain recent passport size photograph of locker hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker and preserve in the records pertaining to locker hirer(s) being maintained in the branches.

#### **4.5 Locker Agreement:**

- a) Branch shall enter into an Agreement with the customer to whom locker facility is being provided, on a duly stamped paper. A copy of the Locker Agreement in duplicate signed by both parties shall be furnished to Locker hirer to know their rights and responsibilities.
- b) Locker -hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. If bank suspects the deposit of any illegal or hazardous substance by any customer in the Safe Deposit Locker, the Bank shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

- c) Bank shall facilitate execution of the fresh/ supplementary stamped agreements with customers by taking measures such as arranging stamp papers, franking, electronic execution of agreement, e-stamping, etc. and provide a copy of the executed agreement to the customer.

#### 4.6 Procedure for Operation of Lockers

- a) The Licensee should be asked to operate the locker at the time of issuance of license. His/ Her signature should be obtained and verified with the specimen held on record **before permitting entry to SDV unit. The register should always be kept in the custody of the Officer incharge.** Once the charge of the locker is handed over to the licensee, the safe custody of the locker key is the responsibility of the licensee.
- b) If the locker is in joint names, mandate of the operation should be verified and access to the licensee (s) should be allowed as per mandate. If a notice of revoking of mandate of operation is received, the access should be allowed jointly. The revocation letter may be given by one of the joint licensees.
- c) In case of any doubt on signature of any of the licensees, they should be asked to furnish their credentials and a comparison should be made. After establishing the identity of the licensee, he/she may be permitted to operate the locker. The Branch official (Officer in charge) should apply his master key first. Thereafter the customer should apply his/her locker key to open the locker unit.
- d) The locker can be operated any number of times, but the number of free operation is restricted to 12 per annum. Beyond that every subsequent operation is chargeable. i.e.

Basic Charges	Rs. 100.00	Branch should also refer latest service charges circular which may be revised from time to time.
GST @ 18%	Rs. 18.00	
<b>Total</b>	<b>Rs. 118.00</b>	

Hence, it is mandatory for the branch to operate the locker through CBS i.e. whenever the locker holder visits the branch for operation of locker, entry must be made in the CBS to have a control over the no. of visits of the locker-holder and thereby have a proper monitoring. Concurrent / Internal Auditors must ensure that the system is observed by the branch else to be reported accordingly.

- e) The Licensee will be permitted to be in the Vault Room only for a reasonable time (i.e. not more than 30 minutes.)
- f) The check-in and check-out timings of the licensee, who operates the locker, should be entered in CBS using prescribed menu in Locker Module & also in physical register.
- g) Access to the licensee's agent or attorney should be allowed only against a Power of Attorney duly executed before the Notary Public / Executive Magistrate in favor of the latter (Attorney). The power of Attorney should be specific and mention the locker number also. The P.A. holder can operate the locker but cannot surrender it. Along with P.A. branch may collect Letter of Authority and provide acknowledgement thereof to the Licensee.
- h) The banks officer authorizing the locker-hirer to access the locker, after unlocking the first key shall not remain present when the locker is opened by the locker-hirer. The branch shall ensure that there is adequate privacy to the locker hirers in the

operations when customer access the lockers at the same time.

- i) The branch shall maintain a record of all individuals, including locker-hirers, who have accessed the lockers and the date and time (both check-in and check-out time) on which they have opened and closed the locker and obtain their signature.
- j) The ingress and egress (entry and exit) register for access to Vault Room by locker-hirers or any of the individual including the banks staff should be maintained to record the movement of individuals in the Vault Room are with their signature at appropriate place in the record.
- k) Bank shall send an email and SMS alerts to the registered email ID and mobile number of the customer before the end of the day as a positive confirmation intimating the date and time of the locker operation and the redressal mechanism/locks available in case of unauthorized locker access.
- l) The Officer in charge should check the locker room immediately after the locker licensee has used it to ensure that licensee has not left any valuable belongings outside locker inadvertently and the licensee has properly closed the locker door.

## **5. Precautions to be taken in Operation of Lockers.**

Branches should take following precautionary measures to prevent any untoward incident while providing locker services:

- a) The licensee may be permitted to apply additional lock of his own, if he so desires. The cost of providing such facility will have to be borne by the licensee.
- b) The licensee should be permitted entry into vault area after due identification.
- c) The customer shall be allowed to operate the locker on working day of the bank only and operation should be permitted up to prescribed business hours applicable for non- cash services. In the event of the bank is not able to operate for any reason beyond its control such as flood, riot, curfew, lockout etc., the bank shall not have any obligation to allow operation in locker.
- d) The bank custodian shall check whether the lockers are properly closed post-locker operation. If the same is not done, the lockers must be immediately closed, and the locker hirer shall be promptly intimated through mobile number, e-mail, if registered or through SMS, if mobile number is registered or through letter so that they may verify any resulting discrepancy in the contents of the locker. The bank custodian shall record the fact of not closing the locker properly in the register and its closure by the bank with the date and time. Further, the custodian of the locker room shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed, and that no person is inadvertently trapped in the locker room after banking hours.
- e) Surprise periodic verification of surrendered / vacant lockers and their keys by an officer of the bank who is not connected with their custody and proper record shall be maintained as a proof of such verification.

### **5.1 Measures relating to lockers which have remained un-operated.**

- a) Where the lockers have remained un-operated for more than three years for medium and low risk categories, or, one year for a higher risk category, branch should immediately contact the locker holder and advise him/her to either operate the locker or surrender it. This exercise should be carried out even if the locker holder is paying the fee regularly.
- b) Further, branches should ask the locker holder to give in writing, the reasons why he/she did not operate this locker. In case the locker holder has some genuine

reasons as in the case of NRIs or persons who are out of town due to a transferable job etc., banks may allow the locker holder to continue with the locker.

- c) In case of locker holder does not respond nor operate the locker, branches may consider break open the lockers after giving due notices to him/ her.

## 6. Locker License Fee / Charges

- a) At the time of new allotment of locker, advance rent shall be recovered on pro-rata basis. And Next rent due date will be 2nd of April of next financial year. Branches to educate customers about the same.
- b) For Example: If locker is allocated in July month, branch should collect rent up to March of succeeding year. In such case, rent will be recovered for 9 months only on pro-rata basis.
- c) Annual rent of all existing locker accounts shall be recovered centrally by Head Office in the month of April of each Financial Year.
- d) For locker facility security deposit is waived off w.e.f 01.01.2025.
- e) In case locker account is closed by surrendering the locker, rent is to be recovered till end of running quarter. Advance rent collected for remaining quarters shall be refunded by using "Refund on closure" menu in CBS.
- f) The Licensee can operate the locker allotted to him free of charge up to 12 operations in a year (April to March). Thereafter, customer has to pay charges for each visit at the rate prescribed by the bank. For lockers allotted in the middle of the year, pro-rata rentals will be levied.
- g) Locker Rent is collected in advance. In case of locker rent remains in arrear over a month, penalty @ 3% per month shall be recovered for the completed months for which rent remained in arrears.
- h) Please also refer service charges circular for latest locker rent which are subject to revision depending on the policy of the bank and care should be taken to timely inform the changes in charges to the locker holder. Please note that locker charges are subject to revision from time to time as per HO guidelines.

### 6.1 Concession to Staff members:

Staff member including all superannuated / retired staff members would be allowed 25% concession in license fee/locker charges for any type of locker. For same, branch should refer latest services charges circular.

- a) **Allotment:** Locker should not be allotted to a staff member of the Bank jointly with a customer.
- b) **Access:** A letter of authority issued by a staff member allowing operation of the Locker by a person other than his/her close relatives should not be accepted.
- c) **Maximum No. of lockers:** One staff can be provided with maximum 1 locker in his own name or jointly with the family member. First name should be invariably of the Staff Member.

- d) **Service Charges:** Penalty for late payment of fees and service charges for operation of locker in excess of 12 times in a year to be collected from the staff / retired staff members.

## 6.2 Arrears of License Fee/ Locker Charges:

- The arrear amount is the locker rent which is not paid by the locker holder on due date.
- Follow-up should be made by the branches wherever fee on lockers is overdue, and it should be ensured by them that the fee is recovered.
- Customers should be kept informed that the overdue fees attract penal interest at 3.00% per month.
- Branches should affix sticker on such lockers with remarks "Fee Overdue". Such lockers should not be allowed to be operated till payment of full fees/due.
- Branch officials may make personal visit to customer's place for recovery of overdue charges and maintain the record.
- In case of change of address, not intimated to the Branch, comes to the notice of bank officials, discreet inquiries for present address should be made and follow up for recovery of dues should be done.
- Apart from above, prescribed procedure for break open of lockers may be followed.

## 6.3 Non-Payment of License Fee/Charges-

- Branch can break open a locker for non-payment of fee after giving due notice/s to the locker holder.
- The procedure for break open of the locker should be as per the procedure.

7. **Loss of Key:** If licensee/s has lost the key and request for its replacement, the Branch should secure a written request for replacing the locking unit. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the bank. After ascertaining the charge for replacing the lock from the vault supplier, the Branch should collect the same in advance. The replacement work should be entrusted to the company, which has supplied the safe deposit lockers Unit. Care should be taken to ensure that the locker unit is properly identified at the time of replacing the locking unit. Locker holder should submit the application requesting therein to break open the locker.

### The charges for loss of Safe Deposit Locker key is as under:

<b>Loss of Key</b>	Actual expenses incurred towards replacement of keys (to be paid to vendor/service provider) + Rs. 2000/- towards administrative cost.
<b>Branch should also refer latest service charges circular</b>	

## 8. Rights of licensee

- A Licensee has a right to terminate the Locker agreement and surrender the locker any

time during the license period.

- b) If a Licensee is requested by the Bank to vacate and surrender his Locker, either temporarily or permanently, before the expiry of the period of hiring for which he has paid the Fees/advance rent, without any fault of his own, he is entitled to get refund of proportionate amount of Fees/advance rent for the unexpired hiring period from the Bank. Further, if locker rent is collected in advance. In the event of surrender of locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer for remaining quarters.
- c) A Licensee has an unhindered right of access to his locker during the period prescribed by the Bank for operation of Lockers subject to the standard service charges for occasion beyond 12 times in a year. The extended period prescribed for cash/non-cash transactions is also applicable for operation of Lockers.

## **9. Duties of A Licensee**

- a) A Licensee is bound to pay or tender, at the proper time and place the license fee to the bank.
- b) A Licensee is bound to keep and on termination of the hiring to restore, the Locker in as good a condition as it was at the time when he was put in possession thereof.
- c) A Licensee is bound not to use the Locker for deposit of any unlawful or stolen property or goods which are of hazardous, destructive or dangerous nature.
- d) A Licensee is bound to allow the Bank officials at all reasonable times during the term, to inspect the condition of the Locker and give or leave notice of any defect in such condition and when such defect has been caused by any act or default on the part of the Licensee, he/she is bound to make it good.
- e) A Licensee may use the locker as a person of ordinary prudence would use them if they were his/her own; but he must not use the Locker for a purpose other than that for which it was licensed.
- f) On the termination of the license agreement, a Licensee is bound to put the Bank into possession of the Locker along with surrendering the key thereof.
- g) A Licensee is duty bound not to transfer or assign or sublet the locker or the benefit thereof.
- h) A Licensee is bound to notify to the Bank any change in his address for communication.

## **10. Safe Custody of Articles:**

Bank also provides facility of Safe Custody of Documents/ Articles barring specific instruction from Government Authorities for keeping Safe Custody of documents as per the guidelines issued by them from time to time.

### **10.1 For safekeeping the Confidential Material / Question Paper parcels in bank's custody, branches are advised to follow the below mentioned instructions:**

- a. The confidential documents should be stored in strong room under joint custody of bank officials preferably Branch manager and another officer who is custodian of the strong room/ safe.



- b. Bank official whose child/ward is appearing in the Board's examination should not be given charge of the safe keeping of the Question Papers.
- c. Official concerned should send the pictures to the Concerned Authority of the confidential material on receipt. To facilitate handling and safe storage of confidential documents and canvas bags and to maintain strict confidentiality, branches are requested to abide by the guidelines / steps given by the concerned authorities.
- d. Bank Official should video record the process of taking custody of the documents/articles, sealing / locking, create proper record and maintain it for any eventually.
- e. No liberty should be granted to access the safe custody to any person except the authorized persons(s).
- f. The Confidential Documents should be handed over only to the authorized person or as per the written instructions issued by the concerned authorities. No negligence should be made while handing over the confidential documents to the concerned authority. Photograph of the sealed packets shall be taken also at the time delivering back to the center superintendent.
- g. Branch official should maintain proper record of receipt of the confidential documents and its dispatch to the concerned authority.
- h. The Custodian Branch should take all precautionary measures to maintain the safety and security of the Confidential Documents kept in the Safe Custody.
- i. The Custodian Branch shall extend all the possible facility to the concerned authority as and when need arises.
- j. The Custodian Branch officials should adhere to the instructions issued by concerned authority.
- k. In no manner, branch official shall refuse to accept the storage of Confidential Documents, if found in order. There may be a possibility that the custodian branch officials need to come to the office to extend support and services on holidays even if there is a lock out and strike etc.

#### **11. Nomination facility in case of Safe Deposit Locker:**

- a. Nomination facility is available to Customers for Safe Deposit Lockers and Safe Custody of Articles, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and forms prescribed under Banking Companies (Nomination) Rules, 1985 shall be used. In case the nominee is a minor, the same procedure as prescribed for bank deposit accounts shall be followed by Branches.
- b. Nomination facility is available in Safe Deposit Locker hired singly as well as jointly. Locker licensees shall be advised to avail of this facility for smooth settlement of claim by legal heirs in unforeseen circumstances. **In respect of lockers in joint names nomination rules are applicable only if lockers are operated jointly.**
- c. Where the locker is hired in the name of a minor as per court order, the nomination shall be made by a person lawfully entitled to act on behalf of the minor.

- d. Nomination facility is available only in the case of individual depositor / sole proprietary concern and not in respect of persons jointly depositing articles under Safe Custody Articles facility.
- e. Nominations are made only in respect of locker contents held in individual capacity of licensee and not in any representative capacity as a holder of an office or otherwise. Nomination can be made in favour of individual only. As such, a nominee cannot be an Association, Trust, Society or any other Organization or any office bearer thereof in his official capacity. Accordingly, "any nomination other than in favour of individual will not be valid."
- f. Branches shall register nomination, cancellation and / or variation of nomination made by the locker licensees in the books/ system as per extant instructions of the Bank.
- g. An acknowledgement of Nomination Form submitted, with Nomination number generated by the System, should be given to locker hirer/article depositor. Such acknowledgement should also be given for cancellation and / or variation of nomination to all customers irrespective of whether the same is demanded by customers or not.
- h. A passport size photo of the nominee attested by the customer may be obtained from customers, at their option and preserved in the records.

#### **11.1 Nomination facility to Non- Resident Indians:**

A Non-Resident Locker Holder may nominate a Resident or Non-Resident as a Nominee. However, Exchange Control Approval will be required if the Non-Resident Nominee wants to take the contents of the locker out of India, upon the death of locker holder.

In case any of our resident customer desires to nominate their non-resident relative as nominee, such request can be considered. However, a non-resident nominee cannot seek repatriation of funds/withdrawal of Articles outside India, unless RBI gives permission to do so.

Usual nomination forms prescribed for acceptance of nomination can be made use of for extending nomination facility to non-resident customers. However, if the nominee is a non-resident, additional particulars like Passport No. and the Country where the Non- Resident Nominee is residing may be noted on the nomination form.

- 11.2** In case the locker holder/s does not want to appoint a nominee to its locker account/s, then he/she has to give a declaration to the respective branch.