

परिचालन विभाग, वर्ल्ड ट्रेड सेंटर, कफ परेड, मुंबई

Operations Department, World Trade Centre, Cuffe Parade, Mumbai

Instruction Circular No:2884-2021

Date: 03.11.2021

To All Branches / Offices

**Sub: Premature Payment of Term / Fixed Deposit to Survivor of Joint Depositor with "Either or Survivor" or "Former or Survivor" clause.**

1. We invite attention toward Instruction Circular No: 9438 dated: 24<sup>th</sup> November, 2012 regarding "Simplified guidelines on prepayment of term deposits to surviving depositors in case of term deposits with operating instructions Either /Former /Anyone or Survivor".
2. In view of the recently held discussion by IBA Standing Committee meeting on Retail Banking on wide variance in practice by member banks, we reiterate the guidelines about premature payment of Term / Fixed Deposits to the surviving joint deposit holder with mandate of 'Either or Survivor' or 'Former or Survivor' clause as under:  
"if joint depositors of term / fixed deposit with 'Either or Survivor' or 'Former or Survivor' mandate intend to allow premature withdrawal of their deposits by one of the joint depositor/s on death of the other, provided that a specific joint mandate for the said purpose is given to the Bank".
3. The instruction in this respect can be obtained from all the joint depositors either at the time of opening of Term / Fixed deposit or at any point of time before maturity. This mandate will enable the branches to pay the deposit amount before maturity to surviving depositor/s, on expiry of one of the depositor/s without seeking the concurrence of the legal heirs of the deceased joint depositor/s. Further, such premature withdrawal would not attract any penalty.
4. The instruction in this respect has already been incorporated in newly framed "PSB Account Opening Form for Individual", under "Declaration cum Undertaking cum Self-Certification" column on page no.4. Branches can use the same for obtaining the mandate from all depositors, before maturity if not obtained at the time of opening of Fixed Deposit/Term Deposit.
5. Field functionaries have to make aware of the above facility to deposit account holder for hassle free settlement of Death Claim. A suitable notification may also be displayed at notice board of the branch premises.

All branches are advised to take careful note the above.

(Asheesh Pandey)  
CGM & Chief Operations Officer

Hindi version follows