

# SAFE DEPOSIT LOCKER – POLICY



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## 1. Safe Deposit Locker

- i. Locker facility is provided at selected branches of Bank. Safe deposit lockers can be hired by an individual singly or jointly with another individual - singly / jointly (including non-resident individuals), Proprietary concerns, Partnership firms, Limited companies, Hindu Undivided Family (HUF), Government Departments/Courts, Trust / Association. All KYC norms are applicable for locker licensees.
- ii. In exceptional/deserving cases, lockers can be allotted to minors by obtaining prior permission from Legal department.
- iii. Hiring of locker to visually challenged person/ illiterate person, locker will be allotted in joint names only. The other joint licensee should be a normal person. Before allotment of locker, prior permission from the respective Divisional Office is to be obtained by branches.

## 2. Customer Due Diligence

- i. The existing customers of a bank who have made an application for locker facility and who are fully compliant with the CDD criteria in terms of KYC-AML CFT Policy of the Bank and Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) will be given the facilities of safe deposit lockers subject to on-going compliance.
- ii. Customers who are not having any other banking relationship with the bank will be given the facilities of safe deposit locker after complying with the CDD criteria in terms of KYC-AML CFT Policy of the Bank and Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to on-going compliance.
- iii. The KYC documents as per the constitution prescribed under KYC AML Policy of the Bank have to be obtained for various constitutions by the branches from customers.

### **3. Locker Agreement**

- i. Locker agreement for safe deposit lockers will be obtained from the licensees/customers as per the format prescribed by the IBA and implemented in our Bank.
- ii. At the time of allotment of the locker to a customer, agreement will be entered with the customers to whom the locker facility is provided, on a paper duly stamped.
- iii. A copy of the locker agreement in duplicate signed by both the parties will be provided to the locker-licensee to know his/her rights and responsibilities. Original Agreement will be retained with the bank's branch where the locker is situated.
- iv. For addition of joint licensee, KYC document of new licensee need to be submitted to the branch and a fresh agreement to be executed by all the licensees. The same procedure will be followed for deletion of joint licensee.
- v. The Locker agreement will be made available to the public on the Bank's website along with the terms & conditions and the SOP.

### **4. Locker Allotment**

- i. Branch wise list of vacant lockers will be maintained in locker software.
- ii. Branches will acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the lockers are not available for allotment.

### **5. Locker Rent**

- i. To ensure prompt payment of locker rent, Term Deposit, covering three years' rent and the charges for breaking open the locker in case of such eventuality will be obtained.
- ii. In the event of surrender of a locker by a customer, the proportionate amount of advance rent collected will be refunded to the customer.

- iii. Rent for Locker is calculated pro-rata and collected in advance. When a new locker allotment takes place, rent is collected in advance for the period ending 31st March of the Financial Year and thereafter rent is collected for 12 months in advance on 1st April of every Financial Year.
- iv. Presently, bank has 6 types of locker units in different size and dimensions. Annual locker rent is fixed depends on the size of the locker and the centre at which the branch is located. Locker rent will be revised from time to time by the Bank.

Below are details on Safe Deposit Locker Charges

<b>BIN Type</b>	<b>Size</b>	<b>Metro / Urban</b>	<b>Semi-Urban / Rural</b>
A	Small	Rs.1,500/-	Rs.1,200/-
B			
C	Medium	Rs.2,500/-	Rs.1,700/-
D			
E	Big	Rs.4,000/-	Rs.2,000/-
F	Large	Rs.6,000/-	Rs.2,500/-
G			
H			
I	Big	Rs.4,000/-	Rs.2,000/-
J	Extra Large	Rs.8,000/-	Rs.3,000/-
K			
L	Mega Lockers	Rs.20,000/-	Rs.20,000/-

\*Refer Service charges page in KVB website for revision in charges

Other charges

1. Locker operations up to 12 visits in a year – Free
2. Beyond 12 visits for every Locker Operation Rs.200/- plus GST

## **6. Locker Operations**

### **6.1 Regular Operations by Customers**

- i. The locker licensee and/or the persons duly authorized by him/ her only shall be permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the bank. Locker operations will be allowed only during Banks business hours after establishing the identity of the licensee.

- ii. Records of all individuals, including the locker-licensees, 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 will be maintained at branches.
- iii. The ingress and egress register for access to Vault Room (locker cabinet room) by locker-licensees or any other individual including the banks' staff will be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records.
- iv. The bank's official authorizing the locker-licensee to access the locker, after unlocking the first key will not remain present when the locker is opened by the locker-licensee.

## 6.2 Internal Controls by banks

- i. The keys of vacant lockers shall be kept in sealed envelopes. The duplicate master keys will be deposited with another branch of the bank. Proper record of joint custody of master keys will be maintained at branches.
- ii. The joint custodian will check whether the lockers are properly closed post locker operation. The joint custodians will record the fact of not closing the locker properly in the register and its closure by the bank with the date and time.
- iii. The joint custodian of the locker room will 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.
- iv. The internal auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.

## **7. Nomination Facility and Settlement of Claims**

### **7.1 Nomination Facility**

- i. Nomination facility will be offered for safe deposit lockers, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985.
- ii. Branches will register the duly completed Nomination / Cancellation / Variation of nomination in its records. The nomination letters should be kept duly filed along with the Locker agreements and necessary acknowledgement will be given to the licensee/s.
- iii. In case the nominee is a minor, the same procedure as prescribed for the bank accounts will be followed. A passport size photo of the nominee attested by the customer will be obtained from the customers, at his/her option and preserved in the records.
- iv. Nomination for lockers will be registered by the branches as per the extant guidelines and acknowledgement for nomination registration will be provided to the customers on registration of nomination.

### **7.2 Settlement of Claims**

- i. On report of the death of the licensee through any authentic source (accompanied by valid proof) or by any of the survivors in the joint locker (accompanied by valid proof), it will be recorded in the Bank records.
- ii. Records will be the maintained in relative ledger account with the date and source of information under the initials of the branch officials. A suitable note should be made in red ink against the relative specimen signature.
- iii. Where a nomination is properly registered with the branch, the nominee may be permitted to have access to the locker on licensee's death after proper identification of the nominee, unless otherwise restricted by an order of a Competent Court.

- iv. In case of locker hired with joint operation clause, in the event of death of any of the joint licensees, where a nomination is properly registered, the operations may be allowed to the surviving joint licensees along with the nominee.
- v. In case the locker was hired jointly with survivorship clause and the licensees instructed that the access of the locker will be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the provisions of the Banking Regulation Act, 1949
- vi. In case the nominee is a minor, the contents of locker, when sought to be removed on behalf of a minor nominee, will be handed over to a person who is, in law, competent to receive the articles on behalf of such minor.
- vii. In the absence of Nomination, claim application should be obtained from legal heirs and dealt with as per the instructions of the Legal Department.
- viii. Settlement of the claims in respect of deceased locker licensees will be processed and contents of the locker will be settled to survivor(s) / nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the bank's satisfaction.
- ix. Claims those are pending beyond the stipulated period, with reasons therefor in respect of deceased locker licensees will be placed to the Customer Service Committee of the Board on Half-Yearly basis for their review and perusal.

## **8. Closure and Discharge of locker items**

This part refers to the breaking open of the locker in a manner other than through the normal access by the customer using her/his original key under any one of the following circumstances:



- i. If the licensee loses the key and requests for breaking open the locker at her /his cost
- ii. In case of receipt of notices/orders from law enforcement agencies for seizure of locker contents
- iii. If the bank is of the view that there is a need to take back the locker as the locker licensee is not co-operating or not complying with the terms and conditions of the agreement.
- iv. If the licensee has not paid locker rent for by the customer for three years in a row
- v. If the locker remains inoperative for a period of seven years and the locker-licensee cannot be located, even if rent is being paid regularly.

The procedures for closure and discharge of locker items for the above cases are detailed in Standard Operating Procedure (SOP)

## **9. Intimation to Customers**

- i. An email and SMS alert will be sent 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 along with the redressal mechanism available in case of unauthorized locker access
- ii. An email and SMS alert will be sent to the registered email ID and mobile number of the customer in case locker operated and not properly closed by the customer, break open in case of no operations of locker, non-payment of rent, Locker to be accessed by Government Authorities for attachment & recovery
- iii. If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, public notice will be provided in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility.

## **10. Compensation Policy / Liability for Banks**

### 10.1 Liability of banks

- i. In case of financial loss to the customers on the locker contents due to fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank, the Bank will compensate the loss to the customer to the extent of loss suffered by the customers or an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker whichever is lower.
- ii. Bank shall adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.
- iii. The bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer

## **11. Risk Management, Transparency and Customer Guidance**

### 11.1 Branch Insurance Policy

Bank shall arrange for insurance policy to mitigate the loss of locker contents due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch etc.,

### 11.2 Insurance of locker contents by the customer

Banks will not insure the contents of the locker against any risk whatsoever as Banks are not aware of the contents of the locker.

Banks shall under no circumstances offer, directly or indirectly, any insurance product to its locker licensees for insurance of locker contents.

## **12. Review of Policy**

- i. The policy will be reviewed on yearly basis from the date of approval. But in case of any amendment(s), clarification(s), circular(s), etc. issued by competent authorities of the bank on the basis of any amendments to the Laws & Rules of the Land, not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions of this Policy and this Policy shall stand amended accordingly.
- ii. Any guidelines issued by any Regulatory Authority which has the effect of changing any of the provisions of this policy will also become part of the policy from the date of issuance of such guidelines.