



eCircular

Department: PBU-LIABILITIES/INVESTMENT
PRODUCTS-MASS AFFLUENT

Sl.No.: 876/2023 - 24

Circular No.: NBG/PBU/LIMA-TD/27/2023 - 24

Date: Sat 16 Dec 2023

STRICTLY FOR INTERNAL CIRCULATION ONLY

The Chief General Manager
State Bank of India,
Local Head Office,
All Circles/CCG/CAG/SARG etc.

TERM DEPOSIT IN JOINT NAMES WITH MODE OF OPERATION “EITHER OR SURVIVOR” OR “FORMER OR SURVIVOR” MODIFIED MANDATE FORM

Different scenarios are being presented below for payment of Term Deposit Accounts held in **joint names** under mode of operation ‘**Either or Survivor or Former or Survivor**’, where **Mandate form has not been obtained**, for the guidance of operating functionaries:

I. TDR in joint name under mode of operation ‘Either or Survivor’:

(A): Payment on maturity:

- a) Payment can be made to **either** of the depositors **on maturity**.
- b) If one of the depositors **expires**, payment can be made to **the survivor on maturity**.

(B): Payment before maturity:

- a) Signatures of **both** the depositors have to be obtained.
- b) If one of the depositors expires, **no pre-payment may be allowed without the concurrence of the legal heirs** of the deceased joint holders.

II. TDR in joint name under mode of operation ‘Former or Survivor’:

(A): Payment on maturity:

- a) the **‘Former’ alone** can operate/ withdraw the amount, when both the depositors are alive.
- b) if Former expires, payment can be made to **survivor on maturity**.

(B): Payment before maturity:

- a) Signatures of **both** the depositors have to be obtained.
- c) If one of the depositors expires, **no pre-payment may be allowed without**

the concurrence of the legal heirs of the deceased joint holders.

4. USE OF MODIFIED MANDATE FORM:

RBI, vide Circular no DBOD No. Leg. 37/ 09.07.005/ 2012-13 dated 16.08.2012 clarified as under:

“The joint deposit holders may be permitted to give the mandate either at the time of placing the fixed deposit or anytime subsequently during the term/tenure of the deposit. **If such a mandate is obtained, banks can allow premature withdrawal of term/fixed deposits by the surviving depositor without seeking the concurrence of the legal heirs of the deceased joint depositors.** It is also reiterated that such premature withdrawal would not attract any penal charge.”

Please refer to our e-Circular no-NBG/PBBU/LIMA-TD/21/2011-12 dated 19.11.2011 vide which ‘Modified Either or Survivor’ Form was prescribed, for before maturity payment of proceeds of term deposit held jointly under mode of operation ‘E OR S / F OR S’ to one of depositors, provided the Modified Either-or Survivor Form is obtained duly signed by both the depositors.

Either or Survivor Form has been revisited / revised and enclosed as Annexure -I to this circular. In accordance with the RBI directions, “the joint deposit holders need to give the mandate on this form either at the time of placing the fixed deposit or anytime subsequently during the term/tenure of the deposit.”

If the mandate of both the depositors has been obtained on the prescribed form (Annexure-I), before maturity payment of Term Deposits to the surviving depositor is permitted without seeking the concurrence of the legal heirs of the deceased depositor.

The modified mandate has also been incorporated in the **Common Deposit Account Opening Form (Para D(5))**, vide e Circular no NBG/PBU/LIMA-SB/ 23/ 2023-24 dated 04.10.2023.

The modified mandate can also be recorded in CBS system. The path is given hereunder:

Deposit/CC/OD Accounts & Services > Amend (Screen No. 7050) - Input Account No. and under Option select B. Mode of Operation.

On transmit, select **Option 16 E or S WDL by Survivor**, if account is opened with mode of operation ‘Either or Survivor’ and depositors have opted for modified mandate

in Deposit Account Opening Form or has signed Modified Mandate Form.

Similarly, select **Option 17 F or S WDL by Survivor**, if account is opened with mode of operation 'Former or Survivor' and depositors have opted for modified mandate in Deposit Account Opening Form or has signed Modified Mandate Form.

Please bring the contents of this Circular to the knowledge of operating functionaries and give wide publicity of the facility.

Yours faithfully,

(Janmejoy Mohanty)
Chief General Manager (PB)

Annexure I

**MODIFIED MANDATE FORM ALLOWING PRE-MATURE WITHDRAWAL OF
DEPOSIT IN CASE OF DEATH OF ONE OF THE DEPOSITORS**

Date: _____

The Branch Manager
State Bank of India
Satellite Branch, Ahmedabad

Term Deposit Account No.

With reference to the captioned account jointly held by us with the 'Either or Survivor' or 'Former or Survivor' mode of operation / operating instructions, we advise that on death of any one of us i.e., the depositors, the Bank may allow premature withdrawal of the deposit by the surviving depositor without seeking consent from the legal heirs of the deceased depositor.

This mandate will remain valid during the term of deposit and also, during any renewed term(s) (whether for full or partial amount) unless it is specifically withdrawn or modified by us jointly, either during the original or modified terms(s), if any.

Yours faithfully,

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.....
(Signature of all account holders)

Place:

Date:

