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LOCKER operating Procedures & Terms & conditions

1. Customer Due Diligence (CDD) for Lockers:

1.1 The existing customers of a bank who have made an application for locker facility and who are fully compliant with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) may be given the facilities of safe deposit lockers/ safe custody article subject to on-going compliance.

1.2 Customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker / safe custody article after complying with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to on-going compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.

1.3 Bank shall incorporate a clause in the locker agreement that the locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. If the 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.

1.4 The branches shall obtain recent passport size photographs of locker-hirer(s) and individual(s) authorised by locker hirer(s) to operate the locker and preserve in the records pertaining to locker-hirer being maintained in the bank's branch.

2. Locker Allotment:

2.1. In order to facilitate customers making informed choices, banks shall maintain a branch wise list of vacant lockers as well as a wait-list in Core Banking System (CBS) or any other computerized system compliant with Cyber Security Framework issued by RBI, for the purpose of allotment of lockers and ensure transparency in allotment of lockers. The banks shall 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.

2.2 Bank shall have a Board approved agreement for safe deposit lockers based on model locker agreement framed by IBA. This agreement shall be in conformity with these revised instructions and the directions of the Hon'ble Supreme Court in this regard. Bank shall ensure that any unfair terms or condition:

are not incorporated in its locker agreements. Further, the terms of the contract shall not be more onerous than required in ordinary course of business to safeguard the interests of the bank. Bank shall renew its locker agreements with existing locker customers by January 1, 2023.

2.3 At the time of allotment of the locker to a customer, the bank shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. A copy of the locker agreement in duplicate signed by both the parties shall be furnished to the locker hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the branch where the locker is situated.

3. Locker Rent:

3.1 Bank may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, bank shall obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. Bank, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account.

3.2 If locker rent is collected in advance, in the event of surrender of a locker by a customer; the proportionate amount of advance rent collected shall be refunded to the customer.

3.3 If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the bank shall give public notice 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. In case of unplanned shifting due to natural calamities or any other such emergency situation, bank shall make efforts to intimate its customers suitably at the earliest.

4. Security of the Strong Room / Vault:

4.1 Bank shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. The risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned may be assessed and kept on record. Bank shall have a single defined point of entry and exit to the locker room/vault. The place where the lockers are housed must be secured enough to protect against hazard of rain / flood water entering and damaging the lockers in contingent situations. The fire hazard risks of the area should also be assessed and minimized. The banks, as per their policy, shall conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.

4.2 The area housing the lockers shall remain adequately guarded at all times. The bank shall install Access Control System, if required as per its risk assessment, which would restrict any unauthorized entry and create digital record of access to locker room with time log. As per its internal security policy, banks may cover the entry and exit of the strong room and the common areas of operation under CCTV camera and preserve its recording for a period of not less than 180 days. In case any customer has complained to the bank that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is noticed/observed, the bank shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

4.3 The security procedures shall be **well-documented** and the staff concerned shall be properly trained in the procedure. The internal auditors shall **verify and report the compliance** to ensure that the procedures are strictly adhered to.