

**CONFIDENTIAL DOCUMENT**

**POLICY ON**  
**Customer Service and Deposit Policy**

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**SHINHAN BANK**  
**INDIA**



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**Introduction:**

This paper outlines Shinhan Bank, India Branch's transparent and comprehensive policy for Customer service and setting out the rights of the depositors in general. The policy covers all aspects of Account opening subject to KYC norms and operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at the branch.

This policy is framed as per the extant guidelines issued by RBI and the guidelines issued from time to time and with special reference to the RBI circular Ref. DBOD. No. Leg. BC 9/09.07.006/ 2009-10 dated July 01, 2009. Special attention and care is taken for incorporating the items brought forward by the series of studies conducted by various committees set up by RBI on Customer Service viz., Talwar Committee, Goiporia Committee and Tarapore Committee. Shinhan Bank is committed to bring in improvement in performance and procedure involved in the dispensation of hassle-free customer service to the customers.

**Objective / Purpose:**

The main objective / purpose of framing and implementing the policy is to making banking easy, convenient, hassle-free and delight for the Shinhan Bank customers. Depositors' interest forms the focal point and the objective is to empower the depositor by taking the following steps:

Improvement in the quality of Customer Service - The bank has constituted a Customer Service Committee and is headed by the General Manager of the Bank to enable the bank to formulate policies and access the compliance thereof internally with a view to strengthening the corporate governance structure and also to bring about improvements in the quality of customer service provided by the bank.

Guidance to Customers and Disclosure of information

'May I help you' / 'Enquiry Counter

The bank branches to have 'May I help you' or 'Enquiry' counters either exclusively or combined with other duties located near the entry point of the banking hall to guide / assist the existing customers and prospective customers.

Display of time norms -

The time norms for specialized business transactions will be displayed prominently in the banking hall / at the entrance to enable the customer to know the banking hours and plan accordingly the transactions.

Display of Comprehensive Notice Board

The Comprehensive Notice Board of the bank displays the instructions on certain categories such as 'Customer service information', 'Service Charges', 'Grievance Redressal' and others.

The notice board may be updated on periodical basis, the display contents to be simple and readable, language requirements may also be taken into account and will specifically indicate the recent changes.

Display of information relating to Interest rates and Service charges-

Rates at quick glance.

The bank will display Interest rates and Service charges prominently either on the notice board of the bank or by way of displaying the same on the electronic device installed at the branches. Service charges levied will be uniform for all customers except in cases where the Bank Management approves waiver of charges. There is no discrimination between customers in respect of application of interest rates on deposit accounts

Booklets / Brochures

The bank may have booklets / brochures on products / foreign exchange facilities etc. and the copies may be made available to the customers on request.

Website

The detailed information on the above points as indicated above may also be made available on the banks website. The bank will ensure that customers are able to easily access the relevant information from the Home page of the bank's website. Further certain information relating to service charges and fees and grievance redressal will also be posted / updated on the website of the bank.

### **Rights of the Depositors:**

The following are the rights of the depositors, which are not exclusive in nature:

- To inquire about the charges levied in respect of banking services availed by him.
- To have option of Statement of account or Pass book.
- To inquire about the various products/services offered by the bank and also demand the 'Schedule of Charges' for various banking services.
- To receive an acknowledgement of the cheques deposited at the branch for clearance.
- To inquire about the interest rates on fixed deposits and choose the term as per their requirements.
- To lodge complaints for any deficiencies in relation to the banking services and ask for an acknowledgement for the same from the appropriate authority

Philosophy and Policy:

1. The Branch's deposit policy is aimed at achieving the above objectives of having a transparent and comprehensive document setting out the rights of the depositors.
2. The bank's philosophy is in extending quality customer service to retain them for a long and mutually beneficial business relationship.

### **Opening and Operations of Deposit Accounts:**

- Customer Identification Procedure for individual accounts – The bank is generally guided by RBI instructions on KYC / AML for opening the accounts. The detailed Customer Identification procedure is clearly spelled in the KYC / AML / CFT / PML policy of the bank.
- Savings bank / Current / Fixed Deposit account – The detailed procedure for opening and operations of the above deposit accounts is given in the KYC policy of the bank. Keeping in view the importance of credit discipline the detailed procedure for opening of current accounts is strictly adhered as given in the KYC policy.



- Minimum balance in the savings bank accounts – At the time of opening the account the bank will inform the customers in a transparent manner the requirement of maintaining the minimum balance and levying of charges etc., if the minimum balance is not maintained. Any change levied subsequently will be made known to all depositors in advance with one month's notice.
- Purchasing of local cheques, drafts – The bank has a management approved policy on collection of cheques / instruments and actions will be in tune with that. In case of contingencies like the suspension of clearing house operations etc. the bank may temporarily accommodate their constituents, both the borrowers and depositors to the extent possible by purchasing the local cheques / drafts etc. While extending the facility bank will take into consideration factors like creditworthiness, integrity, past dealings and occupation of the constituents, so as to guard themselves against any possibility of such instruments being dishonored subsequently.
- The facility of 'immediate credit of outstation cheques for personal accounts is displayed in the bank premises. The bank will generally be guided by the management approved Policy on Collection of Cheques / Instruments.
- Issue of Cheque books – The bank will issue cheque books to the No-Frill/ Savings / Current account holders with minimum of 25 cheque leaves for Savings and maximum of 100 cheque leaves for Current Account. The cheque book will be handed to the customer over the counter or dispatched by courier as per the customers' request.
- Term Deposit Account – The bank will issue term deposit indicating therein full details such as date of issue, period of deposit, due date, applicable rate of interest etc.
  - ✓ Transferability of deposit receipts – Term deposits should be freely transferable from one office of bank to another.
  - ✓ Disposal of deposits – Advance instructions from depositors for disposal of deposits on maturity may be obtained in the application form itself. Wherever such instructions are not obtained, banks will ensure sending of intimation of impending due date of maturity well in advance to its' depositors as a rule in order to extend better customer service.
  - ✓ Notifying the changes in interest rates – Change in interest rates will be made available to customers as well as the bank branches expeditiously.
  - ✓ Payment of interest on fixed deposit – The bank has adopted the method of reckoning the year at 366 days in a leap year and 365 days in other years for the calculation of interest on fixed deposit. The bank will provide information to their depositors about the manner of calculation and will mention in the FD account opening form.
  - ✓ Additional interest rate on Fixed Deposits to Staff –
  - ✓ The additional benefit of additional interest rate on Fixed deposits @ 1% may be given to bank's own staff except the deposits floated under Special Scheme
  - ✓ Premature withdrawal of term deposit – The bank upon request of the customer will allow premature withdrawal and the rate of interest payable will be applicable rate (at the time of opening the fixed deposit account) for the period it has remained with the bank and not at the contracted rate. However if the contracted rate is lower than the applicable rate, then the interest will be paid at the contracted amount and vice versa.
  - ✓ Partial Premature withdrawals – Partial premature withdrawals are allowed except deposits which are solicited under special schemes and the interest will be calculated at the applicable bank rates, for which the fixed deposit has remained with the bank. The minimum partial premature withdrawals should be for Rs.1, 00,000/- and in multiples thereof.



✓ Interest Rate on Deposits -

- Interest rates on Deposits less than 2 Crore will be published on bank's website, tenure wise.
- Interest rates on Deposit greater than 2 Crore and below 40 crores will be published on bank's website, tenure wise.
- Interest rates on Deposits above 40 crores will be approved by Treasury depending on the funding requirements. Treasury shall ensure that rates quoted are same for customers for same tenure.
- The bank may run special fixed deposit schemes as approved by ALCO. To protect the interest of customers and to ensure transparency at highest level, Treasury will submit a report of all bulk deposits (above 2 crores\*) raised. Interest rates on savings account – ALCO may decide on the interest rates for Savings account. ALCO may decide to offer differential rates for End of day balance exceeding Rs 1 Lakh or any larger amount. Deposits without Premature withdrawal – The bank currently does not have any such product but the ALCO may decide to incorporate such features and give different rates. All deposits less than 15 Lakhs accepted from individuals (singly or jointly) will compulsorily have Premature withdrawal facility as per RBI guidelines.

\*As per RBI/DBR/2015-16/19, Master Direction DBR. Dir. No.84/13.03.00/2015-16. Master Direction - Reserve Bank of India (Interest Rate on Deposits), Bulk deposit means 'Single Rupee term deposits of Rupees two crore and above' for Scheduled Commercial Banks'

- .Renewal of overdue deposits - \*\* the bank would normally insist for clear cut closure instructions for the treatment of deposits on maturity. However in the absence the bank will act as follows:

Up to and inclusive of 14 days from the date of maturity – Deposit can be renewed from the date of maturity and the interest will be the appropriate rate prevailing on the date of maturity. The deposit would be renewed further at least for the minimum period for which deposits of such size are accepted as per current instructions in force.

If overdue period is more than 14 days from the date of maturity – Interest for the overdue period would be paid separately at simple rate prevailing on the maturity date or date of renewal or savings bank interest rate whichever is lower\*\*\* . The deposit amount (either with or without interest) would be placed as fresh deposit at least for the minimum period for which such deposits are accepted as per current instructions in force.

If an overdue deposit renewed and closed prematurely before the minimum period for which such deposits are accepted as per current instructions in force, from the date of renewal then no interest is payable on the renewed deposit, in addition the interest already paid for the overdue period should be recovered.

\* Not applicable for bulk deposits. The bank will require the Term deposit closure instructions on the FD application itself out of any one of the three options 1) Credit to account 2) Renew on maturity with /without interest for a further period of \_\_ days 3) Auto renewal.

\*\* Under GM approval



- Recurring Deposit Account (RD) – The bank will issue recurring deposit receipt / advice indicating therein full details such as date of issue, period of deposit, monthly installment amount, due date, applicable rate of interest etc. The general terms and conditions of the RD as and when deemed necessary may be modified by the bank.

The term of the RD would be for a minimum period of 12 months and in multiples of 3 months thereafter upto a maximum tenure of 5 years. Typically, once the RD term is fixed the term may not be changed. At the time of creation of the RD;

The depositor shall inform the bank of the installment amount and the term for which the RD is to be placed;

- the depositor shall indicate the option to be treated / executed (as mentioned in the RD form) in case of delay in installment payment;
- the depositor shall also be given and explained the prevailing terms and conditions and as such a declaration stating “have read and understood” should be signed by the depositor;

Payment of installments by the depositor would be on the due date as fixed by the bank and except in the case of the first installments, payments would be executed by way of automatic debits to the SB account of the specified SB account.

The Interest rate chart of the bank (displayed on the notice board and electronic gadget) will reflect the minimum and the maximum tenure the RD can be placed with the bank and the minimum and the maximum monthly installment amounts for an RD account with the bank.

This facility is made available to Resident Individuals only.

- Delay in Installment Payment – Any delay in installment payment would be executed as per the instruction indicated by the Depositor at the time of opening of the RD and would be guided by the Terms and Conditions of the RD product.
- Default in Installment Payment – In case of defaults, the bank would notify the depositor of such defaults. In case of defaults of more than six installments the bank shall automatically close the RD and repayment would be made as per articles pertaining to premature withdrawal further elaborated in the terms and conditions of the RD.
- Transfer of Recurring Deposit Accounts - a recurring deposit account can be transferred from one office of the Bank to another branch.
- Disposal of Deposits – Advance instructions from depositors for disposal of deposits on maturity may be obtained in the application form itself. Wherever such instructions are not obtained, banks will ensure sending of intimation of impending due date of maturity well in advance to its' depositors as a rule in order to extend better customer service.
- Notifying the Changes in Interest Rates – Change in interest rates will be made available to customers as well as the bank branches expeditiously.
- Payment of Interest on RD – The bank has adopted the method of reckoning the year at 366 days in a leap year and 365 days in other years for the calculation of interest on RD (Act / act basis). The bank will provide information to their depositors about the manner of calculation. Interest rate on deposits would be applied on a quarterly compounding basis at applicable rates as



communicated to the depositor/s at the time of opening the RD. Such interest rates would be in accordance with the directions issued by the RBI from time-to-time. The Interest will be paid on Maturity and the matured total amount (P + I) would be directly credited to the depositor's SB account with advice to the depositor.

As per Income Tax Act, TDS at applicable rates will be deducted on RD accounts by the bank. Premature Withdrawal of RD – The bank upon request of the customer will allow premature withdrawal. On such premature withdrawals the interest rates applicable would be as applicable / published (Card Rates) on the date of withdrawal of the RD and would be paid for the tenure (date of deposit till one day before withdrawal, for each installment) that the RD has actually remained with the bank. If any installment is deposited with the bank for a period less than one month, no interest shall be applied for the same installment. Partial repayment of RD would not be allowed by the bank. Penalty would be applied by the bank depending on any delay in installment payment as per the prevailing terms and conditions of the RD. Renewal of Deposits – There would be no automatic re-renewal of the RD. The RD would not be renewed on maturity and the maturity instructions given at the time of placing the RD would be executed by the bank. The bank would adhere to the extant internal as well as regulatory (RBI) guidelines at all times in respect of RD

Statement of accounts / Pass Books – The bank at all times will give constant attention to ensure entry of correct and legible particulars in the pass book and statement of account. The bank will always ensure intelligible particulars are invariably entered in the pass books / statement of accounts. The bank will not deny pass book to the individual account holder if the same is requested instead of statement of account. The periodicity of sending statement of account to the current account holders is fixed as monthly. However the customer may demand 'Statement of Account' at more than the specified time intervals, which would be complied by the bank, at no extra cost. The customer may also demand in soft form at a secured mailbox. The customers' request for Passbook would be entertained and the passbooks will be updated upon presentation. The telephone number and the address of the branch will be mentioned on the passbook in order to improve the quality of service made available to the customer.

Customer confidentiality obligations- The bank shall always protect the customer interest and shall keep confidentiality of customer personal information. However such information may be divulged to third parties on exceptions under circumstances which are well defined. The following exceptions are

- i. Where the disclosure is under compulsion of law
- ii. Where there is a duty to the public to disclose
- iii. Where the interest of the bank requires disclosure
- iv. Where the disclosure is made with the express or implied consent of the customer.

Grievance Redressal Mechanism - The bank will maintain a 'Compliant-cum- Suggestion' book, for the customers, who can access the same from the reception and lodge complaints for any deficiency in the banking services, also they are free to provide any suggestions for improving customer service. Any complaints noted by the customer would be given top priority and corrective/suitable action would be initiated. The bank will generally be guided by the principles as laid down in the Grievance Redressal policy which inter alia has the procedure of internal mechanism to handle the grievance, time frame for resolution, closure of complaints.

Acceptance / Withdrawal of cash over the counter – The bank will accept and will allow withdrawal of cash over the counter to its customer during the working hours of the bank. The bank will not incorporate clauses in the terms and conditions which restricts deposit and withdrawal of cash over



the counter.

Ensuring reasonableness of Bank charges – The principles for ensuring reasonableness in fixing and communicating the service charges, as enunciated by the Working group is being followed by the bank. The bank ensures that the customers are made aware of the service charges upfront and the changes in the service charges are implemented only with the prior notice to the customers.

Any customer complaints/suggestions received and the status of its disposal would be put up to the 'Audit Committee' on a monthly basis.

The Bank has formulated the 'Operations Manual', for the benefit of the front/dealing staff; they are also regularly informed about the changes in the policies, procedures, etc. issued by RBI and other regulatory bodies. The staffs are also regularly trained by way of special meetings on queries and suggestions raised by front office staff. The Operations Manager and the Internal Auditor are in charge of the quality assurance of the customer service, by regularly taking feedback from the front office staff.

Accepting standing instructions of customers – The standing instructions will be freely accepted for all current and savings bank accounts. The scope of standing instructions service will be enlarged to include payments on account of taxes, bills, transfers etc.

Nomination Facility – The bank has the Nomination facility for its depositors and the extract 45ZA is given in the Account Opening Form. The bank will explain the benefits of nomination and it will enable the bank to make payment to the nominee of the deceased depositor, the amount standing to the credit of the deposit holder.

Nomination facility in single deposit accounts – The bank will provide guidance to deposit account holders on the benefits of nomination facility and the survivorship clause. Despite the best efforts in this regard, the bank will still be opening single deposit accounts without nomination. The bank will insist that the person opening a deposit account makes a nomination. In case the person opening an account declines to fill in nomination, the bank will explain the advantages of nomination facility. If the person opening the account still does not want to nominate, the bank will ask him to give a specific letter to that effect that he does not want to make a nomination. In case the person opening the account declines to give such a letter, the bank shall record the fact on the account opening form and proceed with opening of the account if otherwise found eligible. Under no circumstances the bank will refuse to open an account solely on the ground that the person opening the account refused to nominate.

Nomination facility for Sole Proprietary Concern – The bank may extend the nomination facility also in respect of deposits held in the name of sole proprietary concern.

Acknowledgment of Nomination – The bank will devise a proper system of acknowledging the receipt of duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgment will be given irrespective of whether the same is demanded by the customers.

Registering the nomination – The bank will maintain a register in its books the nomination, cancellation and / or variation of the nomination.

Incorporation of the legend 'Nomination Registered' in the passbook, deposit receipt and indicating

the name of the nominee in the passbook / fixed deposit receipt – The bank will indicate on the passbook / deposit receipt that the nomination facility is availed by the account holder with the legend 'Nomination Registered' so that the relatives can know about the nomination. Further if the customer is agreeable for indicating the name of the nominee on the passbook / deposit receipt in addition to the legend 'Nomination Registered' the bank may consider incorporating the same.

Nomination rules clarification - The Nomination shall be made only in favor of individuals, as such the nominee cannot be an Association, Trust, Society or any other organization. The bank will ensure that there cannot be more than one nominee in respect of joint deposit account. The bank will allow variation / cancellation of a subsisting nomination by all the surviving deposits acting together. This is also applicable to deposits having operating instructions 'either or survivor'. In the case of joint deposit accounts the nominee's right arises only after the death of all the depositors.

Settlement of claims in respect of deceased depositors – The bank has Deceased Depositors policy in place and all settlement of claims in respect of deceased depositors would be meticulously followed.

Where no nomination is made or there is no surviving depositor in joint accounts, the bank has fixed a minimum threshold limit of INR 10,000/-for settlement of claims in respect of deceased depositors without insisting on production of documents other than a letter of indemnity.

The bank would ensure that the front/desk staff properly guides the customers, so as to provide efficient customer service. The 'Reception Staff' for enquiries in availing banking service would guide the customers.

Code of Bank's commitment to customers – The bank will follow the various provisions of the code of bank's commitment to customers. The salient features of the Banking Ombudsman Scheme is displayed at a prominent place, the customers are also provided an entire copy of the scheme on request.

Opening of Current Account of Korean Nationals or Foreign Nationals visiting on Business Visa - The Korean nationals visiting India on Business Visas are deputed to carry out business services support / technical meetings. Some of the Korean nationals are foreign experts/specialists on a visit of short duration in connection with an ongoing project with the objective of monitoring the progress of the work, conducting meetings with Indian customers and/or to provide technical guidance. The stay of such Korean nationals in India does and should not exceed 6 months. During their stay in India they are reimbursed by way of inward remittances from the parent company in Korea.

Shinhan Bank, Indian operations will open Current Account of the Korean nationals or Foreign Nationals visiting India on Business Visa, due to the nature of activities and period of stay. From exchange control point of view, no monitoring is required. However, Shinhan Bank so as to put in place arrangements for smooth conduct of accounts, especially in cases where it is likely that a request for repatriation of funds outside India, may open Current Account for such persons. The bank will take usual precautions on KYC aspects and also insist for the letter from the parent company deputing the said person to carry out the activities in India.

Before departing from India, the request for remitting back the proceeds of the Inward Remittance received will be dealt as per FEMA guidelines.

Change of customer information (Communication address) for existing customers in the CBS

The bank may upon proper request along with supporting document amend the information in the Core Banking Solution of the bank.

Individuals and Corporate customers - For change of communication address for the existing deposit accounts, the bank may take any one of the self-attested copy of documents as mentioned in the KYC / AML/ CFT / PML policy of the bank.

## Change of Signature

For change of signature in the bank records (for existing accounts) the bank should take Declaration cum Indemnity from the customer with proper stamp duty paid on it. The draft of Indemnity is as per **Annexure 1**. For new accounts to be opened where there is a signature mismatch in the OVD submitted and signature on the AOF, declaration should be obtained from the applicant as per **Annexure 1A**.

Loss of Cheques book / 'Stop payment' of Cheques already issued -Loss of cheques book should be immediately notified to the bank branch mentioning the cheques series in writing to avoid any misuse. The bank will immediately acknowledge the letter with date and time.

The signed cheques already issued by the customer and not yet presented to the bank may be stopped by the customer by giving request in writing. The bank will check the fate of the instrument in CBS and if the said cheques is unpaid, will mark 'Stop – Payment' against the cheques and handover the acknowledgment to the customer.

Loss of Internet Banking Password Card - If the customer loses Shinhan Internet Banking Password card then he has to notify to the bank branch and give the written request to block the password card. On the receipt of the request bank branch shall block the card and issue acknowledgement with date and time.

Periodicity of payment of Interest on domestic savings deposits - The bank has adopted the periodicity of payment of Interest on savings deposit at quarterly intervals.

The Interest on savings bank accounts, including those frozen by the enforcement authorities, shall be credited on regular basis irrespective of the operational status of the account.

Deposits maturing on non-business working day - If a term deposit is maturing for payment on a non-business working day, the bank shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day.

## NRE Deposits –

Non Resident Indian (NRI) is a person resident outside India, who is a citizen of India or is a person of Indian origin.

A Person of Indian Origin (PIO) for this purpose is defined in Regulation 2 of FEMA Notification ibid as a citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b).

'Close relative' means relative as defined in Section 6 of the Companies Act, 1956.

NRI Client onboarding process -

Non-resident Indians (NRIs) and Person of Indian Origin (PIOs) are permitted to open and maintain these accounts with either of following ways

Personal signs & visit: NRI individual can open account by submitting required documents, personally in presence of the bank employee / RM / Operations staff.

Or Embassy signs and courier – Client can sign in respective embassy office sign in presence of embassy officials and courier documents to Shinhan India office.

Currency if operation: - INR only.

Sources of funding of NRE FDs – Permitted Credits:

Proceeds of remittances to India in any permitted currency.

Proceeds of personal cheques drawn by the account holder on his foreign currency account and of travelers cheques, bank drafts payable in any permitted currency including instruments expressed in Indian rupees for which reimbursement will be received in foreign currency, deposited by the account holder in person during his temporary visit to India, provided the authorized dealer/ bank is satisfied that the account holder is still resident outside India, the travelers' cheques/ drafts are standing/ endorsed in the name of the account holder and in the case of travelers' cheques, they were issued outside India.

Proceeds of foreign currency/ bank notes tendered by account holder during his temporary visit to India, provided (i) the amount was declared on a Currency Declaration Form (CDF), where applicable, and (ii) the notes are tendered to the Shinhan Bank in person by the account holder himself and the Shinhan Bank is satisfied that account holder is a person resident outside India.

Transfers from other NRE/ FCNR (B) accounts.

Interest accruing on the funds held in the account.

Current income in India due to the account holder, subject to payment of applicable taxes in India

Maturity or sale proceeds of any permissible investment in India which was originally made by debit to the account holder's NRE/ FCNR (B) account or out of remittances received from outside India through banking channels.

Provided that the investment was made in accordance with the foreign exchange regulations in force at the time of making such investment.



Refund of share/ debenture subscriptions to new issues of Indian companies or portion thereof, if the amount of subscription was paid from the same account or from other NRE/ FCNR (B) account of the account holder or by remittance from outside India through banking channels.

Refund of application/ earnest money/ purchase consideration made by the house building agencies/ seller on account of non-allotment of flat/ plot/ cancellation of bookings / deals for purchase of residential/ commercial property, together with interest, if any (net of income tax payable thereon), provided the original payment was made out of NRE/ FCNR(B) account of the account holder or remittance from outside India through banking channels and the Shinhan Bank is satisfied about the genuineness of the transaction.

Any other credit if covered under general or special permission granted by Reserve Bank.

Permitted Debits:

- Local disbursements.
- Remittances outside India.
- Transfer to NRE/ FCNR (B) accounts of the account holder or any other person eligible to maintain such account.
- Investment in shares/ securities/ commercial paper of an Indian company or for purchase of immovable property in India provided such investment/ purchase is covered by the regulations made, or the general/ special permission granted by the Reserve Bank.
- Any other transaction if covered under general or special permission granted by the Reserve Bank.

Rates details –

Rates for NRE accounts should be in accordance of following policies

- Card rates but not More than domestic rupee rates
- Rates approved in ALCO for NRE category
- Special scheme rates - only if it is approved in ALCO meetings for NRE account holders

**Tenor of Deposits –**

Minimum 1 Year & Maximum 3 years

If the NRE deposit has not run for a minimum period of one year, interest shall be paid at a rate not exceeding the rate payable on savings deposits. In all other cases, interest shall be paid at the contracted rate.

Repatriation / Termination process –

On Maturity date NRE deposits are freely repatriable (Principal and Interest)

Income from interest on balances standing to the credit of NRE Accounts is exempt from Income Tax.



Likewise balances held in such accounts are exempt from wealth tax.

Conversion of NRE deposit into FCNR (B) deposit and vice versa before maturity should be subject to the penal provisions relating to premature withdrawal. (need to decide)

Card rate applicable on early withdrawals

Repatriation of funds to non-resident nominee:

Shinhan bank may allow remittance of funds lying in the NRE account of the deceased account holder to his non-resident nominee.

Miscellaneous of NRE FDs:

(a) Joint accounts – Joint accounts may be permitted to be opened in the following cases:

- i) In the names of two or more NRIs and/or PIOs
- ii) With resident relative(s) on 'former or survivor' basis. However, the said resident relative shall be eligible to operate the account as a Power of Attorney holder in accordance with the extant instructions during the life time of the account holder.

Explanation – For the purpose of this regulation, 'relative' means relative as defined in section 2(77) of the Companies Act, 2013.

b) Opening of account during temporary visit: An account may be opened in the name of an eligible NRI or PIO during his temporary visit to India against tender of foreign currency travellers cheques or foreign currency notes and coins tendered, provided the Shinhan Bank is satisfied that the person has not ceased to be a non-resident.

c) Operations by Power of Attorney: Shinhan Bank may allow operations on an NRE account in terms of Power of Attorney or other authority granted in favour of a resident by the non-resident account holder, provided such operations are restricted to withdrawals for local payments or remittance to the account holder himself through banking channels. In cases where the account holder or a bank designated by him is eligible to make investments in India, the Power of Attorney holder may be permitted by the authorised dealers/ banks to operate the account to facilitate such investment. The resident Power of Attorney holder shall not, however, be allowed to repatriate outside India funds held in the account under any circumstances other than to the account holder himself, nor to make payment by way of gift to a resident on behalf of the account holder nor to transfer funds from the account to another NRE account.

Operation through power of attorney: Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments or remittance to the account holder himself through normal banking channels.

**Power Of Attorney can only be implemented after approval of General Manager.**

d) Special Series of Cheques: For easy identification and quicker processing of cheques drawn on NRE accounts, Shinhan Bank Branches issue cheque books containing a special series of cheques to their constituents holding NRE accounts.

- e) Temporary Overdrawing's: Not allowed
- f) Over draft against FDs: Currently not allowed

Interest rates on NRE deposits: It should not be higher than those offered by the banks on comparable domestic rupee term deposits.

The benefit of additional interest rate on deposits on account of being bank's own staff or senior citizens shall not be available to NRE deposits.

Interest on savings deposits shall be credited at quarterly or shorter intervals.

Prohibition on marking lien: Shinhan Bank branches should not mark any type of lien, direct or indirect, against NRE saving deposits.

No Penalty is levied on premature withdrawal of NRE deposits

Interest payable on the NRE term deposit account of deceased depositor

In case the claimants of an NRE term deposit account of a deceased depositor are residents, the deposit on maturity shall be treated as a domestic rupee term deposit and interest shall be paid for the subsequent period at a rate applicable to a domestic term deposit of similar maturity.

## **NRO Account**

**Non-Resident Indian (NRI)** - NRI for this purpose is defined in Regulation 2 of Notification No. FEMA 5/2000- RB dated May 3, 2000. In terms of this Notification, an NRI means a person resident outside India who is a citizen of India or is a person of Indian origin.

**Person of Indian Origin (PIO)** - PIO for this purpose is defined in Regulation 2 of FEMA Notification ibid as a citizen of any country other than Bangladesh or Pakistan, if

(a) he at any time held Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b).

## **Eligibility –**

### **The bank shall open NRO account of -**

(a) Any person resident outside India (as per Section 2 (w) of FEMA, 1999) for the purpose of putting through bona fide transactions denominated in Indian Rupees, not involving any violation of the provisions of FEMA, Rules and Regulations made there under.

(b) Opening of accounts by individuals/ entities of Pakistan nationality/ ownership and entities of Bangladesh ownership requires prior approval of the Reserve Bank.

(c) Individual/s of Bangladesh nationality subject to satisfying itself that the individual/ s hold a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned.

## **Types of Accounts**



The bank shall open NRO accounts in the form of current, savings, recurring or fixed deposit accounts. Rate of interest applicable to these accounts and guidelines for opening, operating and maintenance of such accounts shall be in accordance with directives/instructions issued by the Reserve Bank from time to time.

### **Joint Accounts with Residents / Non- Residents**

The NRO accounts may be held jointly with residents and / or with non-residents.

### **Permissible Credits / Debits**

#### **A. Credits**

(i) Proceeds of remittances from outside India through normal banking channels received in any permitted currency.

(ii) Any foreign currency, which is freely convertible, tendered by the account holder during his temporary visit to India. Foreign currency exceeding USD 5000 or its equivalent in the form of cash should be supported by currency declaration form. Rupee funds should be supported by encashment certificate, if they represent funds brought from outside India.

(iii) Transfers from rupee accounts of non-resident banks.

(iv) Legitimate dues in India of the account holder. This includes current income like rent, dividend, pension, interest, etc.

(v) Sale proceeds of assets including immovable property acquired out of rupee / foreign currency funds or by way of legacy /inheritance.

(vi) Resident individual may make a rupee gift to a NRI/PIO who is a close relative of the resident individual [close relative as defined in Section 6 of the Companies Act, 1956] by way of crossed cheque /electronic transfer. The amount shall be credited to the Non-Resident (Ordinary) Rupee Account (NRO) a/c of the NRI / PIO and credit of such gift amount may be treated as an eligible credit to NRO a/c. The gift amount would be within the overall limit prescribed under the Liberalised Remittance Scheme (LRS) for a resident individual.

(vii) Resident individual may lend to a Non-resident Indian (NRI)/ Person of Indian Origin (PIO) close relative [means relative as defined in Section 6 of the Companies Act, 1956] by way of crossed cheque /electronic transfer, subject to conditions within the overall limit prescribed under the Liberalised Remittance Scheme available for a resident individual. The loan amount should be credited to the NRO a/c of the NRI /PIO. Credit of such loan amount may be treated as an eligible credit to NRO a/c;

#### **B. Debits**

(i) All local payments in rupees including payments for investments in India subject to compliance with the relevant regulations made by the Reserve Bank.

(ii) Remittance outside India of current income like rent, dividend, pension, interest, etc. in India of the account holder.

(iii) Remittance up to USD one million, per financial year (April- March), by NRI, subject to payment of tax, as applicable.



(iv) Transfer to NRE account of NRI within the overall ceiling of USD one million per financial year subject to payment of tax, as applicable

## **6. Remittance of Assets**

A citizen of a foreign state, not being a citizen of Nepal or Bhutan or a Person of Indian Origin (PIO), who-

- i. has retired from an employment in India, or
- ii. has inherited assets from a person referred to in sub-section (5) of Section 6 of the FEMA; or
- iii. is a widow resident outside India and has inherited assets of her deceased husband who was an Indian citizen resident in India,

may remit an amount, not exceeding USD one million per financial year out of the balances in the account, on production of documentary evidence in support of acquisition, inheritance or legacy of assets by the remitter, subject to payment of taxes as prescribed by Central Board of Direct Taxes from time to time.

## **7. Foreign nationals of non-Indian origin on a visit to India**

NRO (current/savings) account can be opened by a foreign national of non-Indian origin visiting India, with funds remitted from outside India through banking channel or by sale of foreign exchange brought by him to India. The balance in the NRO account may be converted by the bank into foreign currency for payment to the account holder at the time of his departure from India provided the account has been maintained for a period not exceeding six months and the account has not been credited with any local funds, other than interest accrued thereon. In case the account has been maintained for a period more than six months, applications for repatriation of balance will have to be made by the account holder concerned on plain paper to the Regional Office concerned of the Reserve Bank.

## **8. Grant of loans / overdrafts by the to account holders and third parties**

(a) Loans to non-resident account holders and to third parties may be granted in Rupees by the bank against the security of fixed deposits subject to the following terms and conditions:

(i) The loans shall be utilised only for meeting borrower's personal requirements and/or business purpose and not for carrying on agricultural/plantation activities or real estate business or for re-lending.

(ii) Regulations relating to margin and rate of interest, as stipulated by Reserve Bank, from time to time, shall be complied with.

(iii) The usual norms and considerations as applicable in the case of advances to trade/industry shall be applicable for such loans/facilities granted to third parties.

## **9. Change of residential status of account holder**

### **(a) From Resident to Non-resident**

(i) When a person resident in India leaves India for a country (other than Nepal or Bhutan) for taking up employment or for carrying on business or vocation outside India or for any other purpose indicating his intention to stay outside India for an uncertain period, his existing account should be designated as a Non-Resident (Ordinary) Account.

(ii) Foreign nationals who come to India on employment and become residents in terms of section 2 (v) of FEMA, 1999 and are eligible to open/hold a resident savings bank account are permitted to re-designate



their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their legitimate dues subject to certain conditions.

#### **(b) From Non- resident to Resident**

NRO accounts may be re-designated as resident Rupee accounts on return of the account holder to India for taking up employment, or for carrying on business or vocation or for any other purpose indicating his intention to stay in India for an uncertain period. Where the account holder is only on a temporary visit to India, the account should continue to be treated as non-resident during such visit.

#### **10. Treatment of loans /overdrafts in the event of change in the residential status of the borrower**

In case of a person who had availed of loan or overdraft facilities while resident in India and who subsequently becomes a person resident outside India, the bank may at its discretion and commercial judgement allow continuance of the loan/overdraft facilities. In such cases, payment of interest and repayment of loan may be made by inward remittance or out of legitimate resources in India of the person concerned.

#### **11. Payment of funds to Non-resident nominee**

The amount due/payable to non-resident nominee from the NRO account of a deceased account holder shall be credited to NRO account of the nominee with an bank in India.

#### **12. Operation of NRO account by Power of Attorney holder**

The Bank shall allow operations on an NRO account in terms of a Power of Attorney granted in favour of a resident by the non-resident individual account holder provided such operations are restricted to:

- (i) All local payments in Rupees including payments for eligible investments subject to compliance with relevant regulations made by the Reserve Bank; and
- (ii) Remittance outside India of current income in India of the non-resident individual account holder, net of applicable taxes.
- (iii) The resident Power of Attorney holder is not permitted to repatriate outside India funds held in the account other than to the non-resident individual account holder himself nor to make payment by way of gift to a resident on behalf of the non- resident account holder or transfer funds from the account to another NRO account.

#### **13. Income-Tax**

The remittances (net of applicable taxes) will be allowed on production of requisite information in the formats prescribed by the Central Board of Direct Taxes, Ministry of Finance, Government of India from time to time. The bank shall comply with the requirement of tax laws, as applicable.

#### **15. System of quarterly reporting of opening of NRO accounts by individual/s of Bangladesh:**

- i. The bank shall put in place a system of quarterly reporting whereby each branch shall maintain a record of the bank accounts opened by individual/s of Bangladesh nationality and details of such account shall be forwarded to Head Office. The Head Office of the bank shall furnish details of such accounts on quarterly basis to the Under Secretary (Foreigners), Ministry of Home Affairs, NDCC-II Building, Jai Singh Road, New Delhi - 110 001 [E Mail](#).

ii. The report shall contain details of Name/s of the Individual/s, Date of arrival in India, Passport No. and Place/Country of issue, Residential permit reference and date and place of issue, Name of the FRO/ FRRO concerned and the Complete address and contact number of the branch where the bank account is being maintained.

16. Foreign Nationals to maintain Indian bank accounts on leaving India after completion of employment.

The RBI vide circular ref. RBI/ 2010-11/560 AP (DIR Series) Circular No. 70 dated June 09, 2011 has permitted foreign nationals to reclassify their Indian resident bank accounts as Non-Resident Ordinary Rupee accounts on leaving India after completion of their employment, to enable them to receive any pending payments.

The Bank will close the resident accounts of such foreign nationals on their leaving the country and transfer their assets to their accounts maintained abroad. Alternatively the bank will also facilitate the foreign nationals to collect their pending dues in India. The bank may permit such foreign nationals to re-designate their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their pending bonafide dues, subject to the following conditions

- The bank will obtain the full details from the account holder about his legitimate dues expected to be received into his account.
- Shinhan Bank will satisfy itself as regards the credit of amounts which have to be bonafide dues of the account holder when she / he was a resident in India.
- The funds credited to the NRO account should be repatriated abroad immediately, subject to the Bank satisfying itself regarding the payment of the applicable Income tax and other taxes in India.
- The amount repatriated abroad should not exceed USD one million per financial year.
- The debit to the account should be only for the purpose of repatriation to the account holder's account maintained abroad.
- There should not be any other inflow / credit to this account other than that mentioned at point (a) above.
- The bank branches should put in place proper internal control mechanism to monitor the credits and debits to this account.
- The account should be closed immediately after all the dues have been received and repatriated as per the declaration made by the account holder.

### **Compensation to Depositors – Frauds / Erroneous Debits and for delayed credits**

In the event of reversal of erroneous debits arising on fraudulent or other transactions, the bank shall compensate the depositors, as detailed below:

In case of any fraud, if the branch is convinced that an irregularity / fraud has been committed by its staff towards any constituent, branch will at once acknowledge its liability and pay the just claim

In case where the branch is at fault, they may compensate the customer without demur.

In cases where neither the branch nor the customer is at fault, but the fault lies elsewhere in the system, bank will compensate the customers upto a limit of Rs. 100000/- (Rupees One Lakh Only) ©  
 In case of delay in crediting the beneficiary customer's account or in returning the uncredited amount to the remitter received through electronic mode, the bank will pay penal interest at the current RBI LAF Repo Rate plus two percent for the period of delay / till the date of refund as the case may be to the affected customers.

## Compensation to Depositors –Refunds of electronic payment transactions

### Limited Liability of a Customer

#### (a) Zero Liability of a Customer

A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

- i. Contributory fraud / negligence / deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).
- ii. Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorized transaction.

#### (b) Limited Liability of a Customer

A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases :

- i. In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the bank.
- ii. In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the bank) on the part of the customer in notifying the bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Table 1, whichever is lower.

Maximum Liability of a Customer under paragraph b		Maximum liability ( )
Type of Account		
*	BSBD Accounts	5,000
*	All other SB accounts	
*	Current / Cash Credit / Overdraft Accounts of MSMEs	



*	Current Accounts / Cash Credit / Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud) / limit up to Rs.25 lakh	10,000
*	All other Current / Cash Credit / Overdraft Accounts	25,000

Further, if the delay in reporting is beyond seven working days, the customer compensation shall be limited to maximum amount of INR 10,000 (Ten thousand only) or the actual amount whichever is lower

Overall liability of the customer in third party breaches, as detailed in paragraph (a) and paragraph (b) above, where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, is summarized in the Table 2:

Table 2	
<b>Summary of Customer's Liability</b>	
<b>Time taken to report the fraudulent transaction from the date of receiving the communication</b>	<b>Customer's liability ( )</b>
Within 3 working days	Zero liability
Within 4 to 7 working days	The transaction value or the amount mentioned in Table 1, whichever is lower
Beyond 7 working days	Transaction amount or maximum INR10,000/- (Rupees Ten Thousand Only)whichever is lower

The number of working days mentioned in Table 2 shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication.

#### Reversal Timeline for Zero Liability / Limited Liability of customer

On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any). Bank with the approval of CEO of India may also at their discretion decide to waive off any customer liability in case of unauthorized electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the unauthorized transaction.

Bank will ensure that:

- i. a complaint is resolved and liability of the customer, if any, established within such time, as specified above, but not exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per provisions of paragraphs above.
- ii. Where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation as prescribed in paragraphs above is paid

- iii. In case of Debit card / bank account, the customer does not suffer loss of interest

### **Banking Facilities to the Visually Challenged**

The bank at its discretion will open deposit accounts other than Current accounts in the name of visually challenged person. The account may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the bank. The Bank will ensure that all banking facilities as made available to other account holders would be made available to such visually challenged persons. The bank will not discriminate the facilities between other account holders and visually challenged account holders.

The Bank will explain the need for proper care and safekeeping of the passbook, cheque book etc given to such account holders. The Bank official will explain the terms and conditions governing the account of blind person, while opening of such accounts.

### **Operation of Account by old and incapacitated persons and persons with Autism, Cerebral Palsy, Mental retardation and multiple disabilities**

With a view to enabling the sick / old / incapacitated account holders the bank will follow the procedure as under:

Wherever thumb or toe impression of the sick / old / in capacitated account holder is obtained, it should be identified by two independent witnesses known to the bank, one of whom should be a responsible bank official.

Wherever the customer cannot even put his / her thumb impression and also would not be able to be physically present in the bank, a mark will be obtained on the cheque / withdrawal form which should be obtained on the cheque / withdrawal form which should be identified by two independent witnesses, one of whom should be a responsible bank official.

The bank will also facilitate the customer by asking the customer to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque and that person will be identified by two independent witnesses. The person who would be actually withdrawing the money will be asked to furnish his signature to the bank.

For the purpose of opening / operating bank accounts by persons affected with autism, cerebral palsy, mental retardation and multiple disabilities, the bank will allow the legal guardians of persons to act on their behalf. The bank will assist by way of providing essential guidance / details about the facilities, for obtaining the certificate under the Mental Disabilities Act etc. and it would be ensured that the parents / relatives of the disabled person do not face any difficulty in this regard.

### **Re-KYC of customers process**

As per RBI guidelines on KYC norms, the bank will periodically update customer identification documents in the records of its account holders. The Re-KYC of the customers shall be done according to the Risk Category of the customer. The customers with Low, Medium and High Risk shall be subject to Re-KYC and the frequency will be 10 Years, 8 Years and 2 years from the last KYC carried out by the bank based on the documents submitted by the customer.

The documents acceptable for carrying out the Re-KYC shall be the officially valid documents (OVDs) as

mentioned in the KYC / AML policy of the bank.

The bank branch should send reminder (through courier / registered post) to the customer 45 days prior to the date of Re-KYC due for the customers (both Individuals and Non-Individuals) as per Annexure 4(a & b) and also send reminder (if no response is received) as per Annexure 4(c) immediately on the Re-KYC due date and the timeline for submission should be 15 days. Where the customer still fails to submit Re-KYC documents, the bank shall freeze the account / block transactions in the account and send intimation about freezing / blocking the account to the customer as per Annexure 4 (d).

The branch should also endeavor to try and contact customer through email / telephone etc.

### **Closure of Accounts suo-motto by the Bank**

The bank would close the account of the customer if the bank is dissatisfied with the way the customer is using the account, or feel that its relationship with the customer has broken down irretrievably. However the bank will not close an account for an improper reason – for instance, because of unfair bias or unlawful discrimination.

The bank would give reasonable amount of time to make alternate arrangements. The reasonable period for the bank is at least 30 days' notice, from the date bank conveys to the customer about its intention to close the account after which the bank would close the account in normal circumstances. The examples of circumstances which are not 'normal', where the customer was threatening or abusive to the bank's staff, the bank would close the account immediately.

The bank would also suo-motto close the account if it feels that there is an improper conduct of the account operations viz., Frequent return of cheques, Transactions happening not in synchronization with the type of account, Failure to update customer identification data as per KYC norms etc.

### **Unclaimed Deposits / In-operative accounts in Bank**

A savings as well as current account will be treated as inoperative / dormant if there are no transactions in the account for over a period of two years. There will not be any charges for activation of inoperative account. Interest on savings bank account will be credited on regular basis.

The bank will make an annual review of accounts in which there are no operations (i.e no credit or debit other than crediting of periodic interest or debiting of service charges).

The bank will contact the customer and inform them in writing enquiring about the non-operation of the account. In case the non-operation in the account is due to shifting of customers the customer may be asked to provide details of the new bank accounts to which the balance may be transferred. In case the whereabouts of the customers are not traceable, the bank will also consider contacting the person who has introduced the account holder. The bank will also consider contacting the account holder telephonically.

In case the customer gives a satisfactory reply for not operating the account, the bank will continue to classify the same as an operative account for one more year. However in case the account holder still does not operate the same during the extended period, the bank will classify the account as inoperative after the expiry of extended period.

The segregation of the inoperative account is from the point of view of reducing the risk of frauds. However adequate care would be taken so as not to inconvenience customer in any way. The classification is to bring to the attention of dealing staff, the increased risk in the account. The transaction may be monitored at the



higher level from the point of view of preventing fraud.

There may be instances where the customer has given a mandate for crediting the interest on Fixed Deposit to the Savings bank account. As per the extant guidelines issued the bank will treat the account as operative account as long as interest on Fixed Deposit is credited to Savings Bank account. The savings bank account can be treated as inoperative only after two years from the date of the last entry of interest on Fixed Deposit account.

The account once classified as 'Dormant / Inoperative' will be normalized and transactions will be allowed only after getting an application for keeping the account active. The activation of the dormant account should be after the authorization by the General Manager. The branch should for making the dormant account active should collect the application and OVD documents as given in the KYC Policy of the bank. The application for making the dormant account active given in **Annexure - 3**

The bank has salary accounts of Korean individuals / nationals working for corporates / consulate etc. In case the account is inoperative for more than one year the bank may try to contact the customer with the contact details (by email, telephone) available with the bank. Further the bank may also seek help from the Head Office for contacting the customer, if the customer has returned for good to his home country

In case the customer has not approached the bank for more than Ten years then bank will transfer unclaimed deposits to the Reserve Bank of India who established a fund called as the Deposit Education and Awareness Fund Scheme, 2014. In case of demand from the customer / depositor whose unclaimed deposit had been transferred to Fund, bank shall repay the customer / depositor, along with interest if applicable and lodge a claim for refund from the Fund for an equivalent amount paid to the depositor / depositor.

Addition to this, bank is also display the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more on web site. The list will contain only the name of the account holder(s) and his/ her address in respect of unclaimed deposits / inoperative accounts.

### **Process for claim of unclaimed deposits**

As per RBI circular - RBI/2011-12/389 DBOD.No.Leg.BC. 81 /09.07.005/2011-12 February 7, 2012 the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more has been displayed on Bank's website. The list so displayed will contain only names of account holders(s) and his/her address in respect of unclaimed deposits / inoperative accounts.

Claim Process:

Claim from Customer - Customer may visit the nearest branch and submit the Unclaimed Deposits claim form (As per annexure 2 below) duly filled and signed, along with valid Identity proof document.

Claim from legal heir / Nominee - For claim process, legal heir may visit the nearest branch and submit the Unclaimed Deposits claim form (As per annexure 2 below) duly filled and signed, along with following documents. ' Valid Identity proof of the claimant ' Copy of death Certificate of Deposit holder For detailed process, the Policy on Bank Deposit, section 14: Settlement of dues in deceased deposit account may be referred on the website.

Claim from Other entities - For claim of other accounts, the Claim form need to be submitted in Company's letter head duly signed by authorized signatories along with valid identity proof. At the time of submission of claims the original documents have to be produced for the purpose of verification at the branch.





### **Transfer of Account from one branch to another**

Instructions of customer to transfer of his account from one office to another will be carried out immediately on receipt of, and in accordance with his instructions. It will be ensured that balance of the account, the relative account opening form, specimen signatures, standing instructions, etc wherever obtained will be simultaneously transferred under advice to the customer.

### **Digital Banking (Internet Banking / Debit Card / Ecommerce)**

The branches should be largely guided by the respective policies related to Digital banking products. The branches should ensure that applications should be filled and signed by the customers with rubber seal (wherever applicable). The procedure adopted for mailing the Debit card, Passwords etc for ensuring the safety and security of the customer transactions should be strictly adhered. The charges of the products should be transparent and upfront known to the customers.

### **Review**

This policy shall be reviewed and shall be amended so as to incorporate the extant guidelines issued by the Reserve Bank of India from time to time.



Annexures

**Annexure \_1  
(On Stamp paper)**

I Mr./Ms an adult Korean/Indian resident having my current/permanent address at \_\_\_\_\_ hereby represent and declare that:

1) I am appointed as the Authorized Signatory for the Current Account No. \_\_\_\_\_ of M/s. \_\_\_\_\_ .

2) My signature appearing on the Pan Card/ Passport which I have given you as an evidence of my signature does not match with the one I have signed on the account opening form of M/s. \_\_\_\_\_ Account No. \_\_\_\_\_ as I have modified my signature.

3) My signature appearing on the Pan Card/Passport is as below:

.....

4) I hereby declare that my modified signature is as below and I request you to accept the same as a specimen signature for your record.

.....

(Modified signature for Banks' record)

5) I hereby authorize you to act on my instructions given herein and take my modified signature on your record as my specimen signature.

6) In consideration of your having acted on my above said instructions and honoring my modified signature, I hereby irrevocably and unconditionally undertake to indemnify Shinhan Bank, ("Bank") and save it harmless against all costs, expenses, charges, claims (including all attorney's fees) for defending a claim or claims, that the Bank may suffer or incur in consequence of or arising from the Bank acting on my modified signature as said above.

Signed this ....Day of .....20\_\_

Place:



**Annexure \_1A**  
**(To be filled by applicant only on plain paper)**

Date:

The Manager  
Shinhan Bank  
\_\_\_\_\_ Branch

Dear Sir / Madam,

I Mr./Ms. an adult Korean/Indian resident wish to open Savings / Current Account with Shinhan Bank, \_\_\_\_\_ branch.

My current/permanent address as per OVD submitted is \_\_\_\_\_

My signature appearing on the Pan Card/ Passport which I have given you as an evidence of my signature does not match with the signature affixed on the account opening form submitted to you.

My signature appearing on the Pan Card/Passport is as below:

\_\_\_\_\_

I hereby declare that my modified signature for the account opening and operating will be as below and I request you to accept the same as a specimen signature for your record.

\_\_\_\_\_

(Modified signature for Banks' record)

I hereby authorize you to act on my instructions given herein and take my modified signature on your record as my specimen signature.

In consideration of your having acted on my above said instructions and honoring my modified signature, I hereby irrevocably and unconditionally undertake to indemnify Shinhan Bank, ("Bank") and save it harmless against all costs, expenses, charges, claims (including all attorney's fees) for defending a claim or claims, that the Bank may suffer or incur in consequence of or arising from the Bank acting on my modified signature as said above.

Thank You.

Name and Employee ID of the Bank Official  
before whom the declaration is given

\_\_\_\_\_ (Name and Signature of applicant)

\_\_\_\_\_



**(Annexure 2)**  
**Format for claiming amount available under Unclaimed Deposit/In operative  
Accounts**

To

The Branch Manager  
Branch\_\_\_\_\_

Sir,

I furnish the following details/documents for activating the account/payment of the balance amount from my account

- i. Name of the customer
- ii. Account Particulars
- iii. Documents enclosed(like Pass Book/TDR Receipt)
- iv. Identification Proof (PAN Card/Passport/driving License/Aadhaar Card)
- v. Address proof ( Aadhar Card / Voter ID card / Passport etc)

I/we certify that the unclaimed account as per details displayed on the website of the bank belongs to me /us and as owners of the account I/We claim the amount from the account.

I/we also understand that I/we will be required to procure all documents desired to establish my/our claim till settlement.

Signature

Name & Address Phone  
No/mobile E-mail ID



**Annexure – 3**

**Request for Account Activation**

To,  
The General Manager  
Shinhan Bank  
\_\_\_\_\_ Branch

Dear Sir,

Subject: Request for activation of my Dormant Account No. \_\_\_\_\_

My below mentioned account is in dormant status. Please activate the account basis the documents enclosed.

Account No: \_\_\_\_\_

Please find below / tick as applicable:

1. A self attested copy of my ID Proof with address (Mandatory)
2. A cheque for Rs. \_\_\_\_\_ /- drawn on \_\_\_\_\_ Bank to be deposited in my dormant account.
3. Cash \_\_\_\_\_ /- deposited in my dormant account.

Reason for Dormancy: \_\_\_\_\_  
\_\_\_\_\_

Name and Signature of the account holder  
  
\_\_\_\_\_

Terms and conditions:

1. Your account will be activated on the date of application or on the next working day
2. Signatures of account holder (s) required as per the mode of operation of the account. Self-attested ID proof to be attached.
3. If cheque or cash is not deposited into the account, then any one financial transaction will have to be done for activation of the account.



**Annexure – 4 (a)**  
**To be send 45 days prior to Re-KYC due date**

Ref : << >>

Date: << >>

To,  
<<Name>>  
<<Add1>>, <Add2>>  
<<Add3>>  
<<City>>, <<Pin>>  
<<State>> - <<Country>>

Subject: Periodic Updation of Know Your Customer (KYC) documents  
Re-KYC due date :

Reference: Your Account Savings / Current A/c No. \_\_\_\_\_ with \_\_\_\_\_ Branch

Dear Customer,

We wish to inform you that as per Reserve Bank of India directives, the banks are required to conduct Re-KYC of customers at periodic intervals based on the risk category. We request you to please submit **self-attested** Officially Valid Documents as under along with Account Opening Form (with Application type – 'Update'.

1. PAN
2. Recent Passport size color photograph duly affixed on the form in the space provided.

For Identity and Address Proof: (Copy of any one of the following)

1. Aadhaar card
2. Valid Passport
3. Driving license
4. Voter's Identity Card
5. Job card issued by NREGA duly signed by the officer of the State Government
6. Letter issued by National Population Register containing name and address

Kindly note that, if KYC is not updated by submitting the above documents with the home branch the bank will be constrained to freeze the account.

Please contact your branch for assistance or guidance in this regard.

Assuring you the best of our services always and seeking your continued patronage.

Thank You.

\*\*\*\*This is computer generated advice which require no signature\*\*\*\*



**Annexure – 4 (b)**  
**To be send 45 days prior to Re-KYC due date**

Ref: &lt;&lt; &gt;&gt;

Date: &lt;&lt; &gt;&gt;

To,  
<<Name>>  
<<Add1>>, <Add2>>  
<<Add3>>  
<<City>>, <<Pin>>  
<<State>> - <<Country>>

**Subject:            Periodic Updation of Know Your Customer (KYC) documents**  
**Re-KYC due date : \_\_\_\_\_**

**Reference:        Your Account Current A/c No. \_\_\_\_\_ with \_\_\_\_\_ Branch**

Dear Customer,

We wish to inform you that as per Reserve Bank of India directives, the banks are required to conduct Re-KYC of customers at periodic intervals based on the risk category. We request you to please submit **self-attested** Officially Valid Documents (OVD) as under **along with** Account Opening Form (with Application type – 'Update'.

1. PAN
2. Recent Passport size color photograph duly affixed on the form in the space provided of Authorized Signatories as on date.

For Proof of Identity and Address (Copy of any one of the following)

3. Corporate Registration Certificate
  4. Latest MOA and AOA / Partnership Deed / Trust Deed of Entity
  5. OVD\* in respect of Persons authorized to operate the account
- \* PAN / Aadhaar / Driving license / Voters Identity card.

Kindly note that, if KYC is not updated by submitting the above documents with the home branch the bank will be constrained to freeze the account.

Please contact your branch for assistance or guidance in this regard.

Assuring you the best of our services always and seeking your continued patronage.

\*\*\*\*This is computer generated advice which require no signature\*\*\*\*



**Annexure – 4 (c)**  
**To be sent on Re-KYC due date**

Date: << >>  
<ref.....>  
To,  
<<Name>>  
<<Add1>>, <Add2>>  
<<Add3>>  
<<City>>, <<Pin>>  
<<State>> - <<Country>>

Dear Sir/Madam,

**Subject: Your Account No.<ACCOUNT NO> with <BRANC> Branch**

In reference to our letter dated \_\_\_\_\_ Periodic Updation of Know Your Customer (KYC) documents, we wish to inform you that your account has been placed with debit freeze due to non-compliance of regulatory requirement of KYC updation of your account.

We hereby call upon you to regularize the said account forthwith submitting required KYC updation documents as per list provided in our earlier communication. If you fail to regularize the said account within 15 days from date of this letter we shall constrained to freeze / block your account.

Please contact your branch for assistance or guidance in this regard.

We thank you for banking with Shinhan Bank, India and hope you would continue to give us an opportunity to serve you better.

Thank You.

\*\*\*\* This is a computer generated advice which requires no signature\*\*\*\*





**Annexure – 4 (d)**

**To be sent after 15 days of Re-KYC due date (Intimation of account freeze)**

Ref: <<>>

Date - <<>>

To,

<<Name>>

<<Add1>>, <Add2>>

<<Add3>>

<<City>>, <<Pin>>

<<State>> - <<Country>>

Dear Sir/Madam,

Sub:- Your Account Number XXXXXXXX

We invite your attention to our letter dated \_\_\_\_\_ and \_\_\_\_\_

We have not received any revert from you on both letters, we have marked total freeze / blocked your account and please note that no transactions will be permitted till the submission of Re-KYC documents.

In case you require any clarifications, please do contact to nearest branch during business hours.

\*\*\*\* This is a computer generated advice which requires no signature\*\*\*\*