FAQs on Fixed Deposits

1. **Who can open an FD with the Bank?**
   ✓ Both customer and non-customer can open an FDR.

2. **What documents are required for opening an FDR by an existing customer?**
   ✓ The self introduction by an existing account holder to open another Saving/FDR account, in the same or other branch of the bank, is acceptable. For self introduction no additional KYC documents are required. However if there is a change in communication address, proof of address is mandatory.
   ✓ Saving account with self introduction should be opened only if the existing account is satisfactory i.e. is minimum 6 months old and no levy of non-maintenance of quarterly average balance charges during the last quarter. However in case of FDR, account can be opened even if conduct of existing account is unsatisfactory.
   ✓ Whenever a customer requests for opening additional accounts in the same name and style, these accounts are to be opened under existing customer ID.

3. **What documents are required for opening an FD by a new customer?**
   ✓ Identify proof and address proof as per KYC guidelines.
   ✓ Latest photograph of depositor/s.
   ✓ Nomination form DA1.

4. **What is the process to be followed in case customer wants to partly or fully close an account?**
   When the customer approaches the branch for partial closure of FD or to close the FD on maturity, branch should:
   ✓ Scrutinize the request, check the signature and mode of operation. When the mode of operation is EorS/AorS/Jointly by All, the request needs to be signed by all holders.
   ✓ Inquire with the customer the reason for partial closure of deposit.
   ✓ Check for lien, freeze on the deposit.

5. **What is the process to be followed for premature closure of FD?**
   ✓ Inform the customer about the Penal interest if any.
   ✓ Check if all the account holders have signed the request.
   ✓ Verify the signature on the request with the bank records.
   ✓ Get customer’s signature after affixing.

6. **Are you aware that interest needs to be paid on the account lying in current account deceased claim settlements as SB account interest rate?**
   RBI permits banks to pay interest on balances in deceased depositor’s accounts even where the balances are held in current account or term deposits have
matured at the time of settlement. Branches may pay interest on such accounts as per instructions given below-

✓ In case of current accounts, simple interest shall be paid from the date of death of the deceased depositor till the date of repayment to the claimant/s at the rate of interest applicable to saving deposit as on date of payment.

✓ In case of Fixed deposit, interest shall be paid from the date of death of the deceased depositor till the date of repayment to the claimant/s at the rate of interest applicable in Fixed deposit as on date of payment.

7. Value dating of term deposit can be done in following cases:

✓ Opening of new deposits where the amount has been parked in internal office account for term deposit.

✓ Customer request received for opening new FD/RD during the day but clear funds received after EOD at branch. Value date will not be FD application date in case of cheque clearing, but will be the value date on which bank has received clear credit in its internal office account.

✓ Renewal of overdue deposits.

✓ In case of wrong closure of deposits.

✓ Term deposits have been incorrectly opened due to wrong tenure, wrong scheme code, incorrect amount etc.

✓ System issue/errors.

✓ If a customer applies for opening for saving and term deposit account, and provide a cheque for combined amount; in such case first the saving account is opened by depositing the entire cheque amount and then the FD is opened by debiting saving bank account from value date as date of realization of cheque.

✓ For renewal cases value dating can also be done for term deposits kept under safe custody, Lien, loan against term deposits, locker and collaterals.