

# Framework

## Deposit

Current Effective Date: February 2025

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## 1. Summary or Rationale

This Framework document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the JPMorgan Chase Bank N.A a scheduled commercial bank under the Reserve Bank of India Act, 1934 acting through its branches in India (hereinafter referred to as “JPMCB India”) and the terms and conditions governing the conduct of the deposit account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the JPMCB India’s customers, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with customers and create awareness among customers of their rights.

This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time. This Framework applies only to products as may be offered by JPMCB India.

## 2. Scope

Lines of Business	Subject To	Role To Play
	<ul style="list-style-type: none"> <li>Commercial and Investment Banking</li> </ul>	<ul style="list-style-type: none"> <li>Global Corporate Banking</li> <li>Payment Sales</li> </ul>
Function(s)	Subject To	Role To Play
	<ul style="list-style-type: none"> <li>NA</li> </ul>	<ul style="list-style-type: none"> <li>NA</li> </ul>
Locations	<ul style="list-style-type: none"> <li>APAC - India</li> </ul>	
Legal Entities	<ul style="list-style-type: none"> <li>JPMorgan Chase Bank, N.A.</li> </ul>	

## 3. Changes from Previous Version

- Changed references from 'policy' to 'framework'
- Updates in line with Annual framework review
- Updated the Line of Business nomenclatures

## 4. Framework Statements

- [Types of Deposit Accounts](#) – This section outlines the various Deposit products offered by JPMCB
- [Account Opening and Operation of Deposit Accounts](#) – This section covers the Information of opening and operations of deposit accounts

- [Interest Payments](#) – This section includes information on interest paid by JPMCB on different types of deposits
- Floating rate term deposits – JPMCB India shall offer floating rate domestic term deposit linked to Treasury Bill rates (T-Bill rates) as published by FBIL (Financial Benchmarks India Pvt Ltd). In order to ensure transparency, JPMCB India shall only use market-based rupee benchmark rates, which are directly observable and transparent to the customer for pricing the floating rate deposits. Such rates may change time to time depending on rate published by FBIL. For such deposits, the floor of the customer interest payout will be restricted to 0%
- Approval for deposits - JPMCB offers term rate and floating rate term deposits to customers. JPMCB's Asset-Liability Committee (ALCO) has delegated Treasury services product department looking after the Term deposit portfolio to publish the daily interest rates for bulk and non-bulk deposits for term (fixed) rate and floating rate deposits and offer differential interest rate on bulk deposits for term (fixed) rate and floating rate deposits provided:
  - the deposit rate offered to customers at the time of booking during the month is within the JPMCB's Asset-Liability Committee (ALCO) approved range of rates for all deposits
  - a post facto submission is done to the ALCO to confirm that the rates offered during the month at the time of booking was within ALCO approved range every month for all deposits
- [Deposits without premature withdrawal facility](#) – This section includes information on deposits without Premature withdrawal facility
- Customer information - The customer information collected from the customers shall not be used for cross selling of services or products by JPMCB India, their subsidiaries and affiliates. If JPMCB India proposes to use such information, it will be with the consent of the accountholder.
- Secrecy of customer's accounts - JPMCB India shall not disclose details / particulars of the customer's account to a third person or party without the express or implied consent of the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose, when ordered by a court of law to disclose and where interest of JPMCB India requires disclosure.
- Premature withdrawal of term deposit - JPMCB India on request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposit. JPMCB India shall declare the penal interest rates for premature withdrawal of term deposit. JPMCB India shall make depositors aware of the components of penalty along with the deposit rate. If the term deposit is withdrawn before its maturity, interest will be paid as per the interest rate applicable for the period it was maintained with JPMCB India less penalty (as determined by JPMCB India) for a premature withdrawal which shall be communicated to the Customer at the time of placing the term deposit. The above shall exclude term deposits that are booked without premature withdrawal facility. With effect from

Q4'2023, JPMCB India computes penalty rate for premature withdrawal of term deposits as follows:

- Where the actual interest for the period for which the deposit is held with the Bank (“survival tenor rate”) is higher than the contracted rate the penalty will be the difference between the contracted rate and survival tenor rate
  - JPMCB India will have the discretion to waive (completely or in parts) the premature withdrawal penalty on a case to case basis with the approval of Head, Treasury services product department looking after the Term deposit portfolio
  - While prematurely closing a deposit, interest on the deposit for the period that it has remained with the bank will be paid at the rate applicable to the period for which the deposit remained with the bank and not at the contracted rate
- Premature renewal of term deposit – In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, JPMCB India will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with JPMCB India will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with JPMCB India and not at the contracted rate. Further, JPMCB India may levy penalty for pre-mature closure of the existing deposit at such rates as may be decided by JPMCB India from time to time and as informed to the customer along with the deposit rate. The above shall exclude term deposits that are booked without premature withdrawal facility.
- Renewal of Overdue Term Deposits – When a term deposit is renewed on maturity, on renewed deposit, interest rate for the period specified by the depositor as applicable on the date of maturity would be applied. The term deposit account holders at the time of placing their deposits have to give instructions with regard to closure of deposit account or renewal of deposit for a further period on the date of maturity at an interest rate for the period specified by the depositor as applicable on the date of maturity.
- Back value dated deposit - Back valuation of deposits is permitted only in case of operational issues or errors on the part of JPMCB India and is governed by the Bank's Back Valuation Framework. For back valued deposit, interest rate for the period specified by the depositor as applicable on the back valued date of booking would be applied
- Advances against deposits - JPMCB India may consider requests of the depositor/s for loan / overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents.
- Insurance Cover for Deposits - Deposit protection coverage provided under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 as amended from time to time (the “Act”) shall, subject to the eligibility of account(s) under the provisions of the Act, apply to account(s) held with JPMCB India.
- Stop Payment Facility - JPMCB India will accept stop payment instruction from the depositors in respect of cheques issued by them provided it is received within the timelines provided by the Bank. Charges, as specified, will be recovered.

- Inoperative Accounts – Accounts shall be treated as inoperative, if there are no ‘customer induced transactions’ in the account for a period of over two years as specified by RBI in Circular No. DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024. JPMCB India will not levy penal charges for non-maintenance of minimum balances in any account that is classified as an inoperative account. In order to reactivate an inoperative account, the account holder will need to provide fresh Know Your Customer (KYC) documents. JPMCB will process requests for activation of inoperative account within three working days from receipt of complete details and there is no charge for reactivation of accounts. JPMCB India will consider the following transactions as Customer Induced transactions:
  - Financial Transactions
    - Monetary transaction initiated by or done at the behest of the account holder by the bank either by the way of a credit or debit transaction (However, the service charges levied by the bank or interest credited by the bank should not be considered.).
  - Non-Financial transactions
    - Banking service request through internet banking which has two factor authentication such as request for Cheque Book requests via Internet Banking portal
  - KYC updation

JPMCB India's clientele consist of Corporate & Institutional customers only. Accounts of such corporate customers are opened post a detailed due diligence by the bank, and hence no cooling off period for newly opened accounts with the bank is specified. Accordingly no such cooling off period will be applicable in case of inoperative accounts which have been reactivated. JPMCB India will perform Client outreach for active accounts where there is no customer induced transactions for more than a year. In addition, JPMCB India will also contact the holder(s) of the inoperative account/unclaimed deposit on a quarterly basis. JPMCB India will intimate the account holders post activation of their inoperative accounts.

- Redressal of complaints and grievances – Depositors having any complaint / grievance with regard to services rendered by JPMCB India has a right to approach authority(ies) designated by JPMCB India for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises and on the website, which shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from JPMCB India within one month from date of complaint or he is not satisfied with the response received from JPMCB India, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.
- [Unclaimed Deposits / Inoperative Accounts](#) – This section outlines the information on Unclaimed deposits or inoperative accounts
- Display of Data on Unclaimed Deposits on Web Site of JPMCB India – JPMCB India shall display the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more on the website on a monthly basis. The list so displayed on the websites shall contain only the names of the account holder(s),

address (without pin code) and Unclaimed Deposit Reference Number (UDRN). However, the account number, its type and the name of the branch shall not be disclosed on JPMCB India's website. JPMCB India shall perform a periodic review of unclaimed deposits/ inoperative accounts and present in the Location Operating Committee. JPMCB India should also give on the website, the information on the process of claiming the unclaimed deposit / activating the inoperative account and the necessary forms and documents for claiming the same. JPMCB India shall monitor the transactions in reactivated accounts regularly for six months, at higher levels

## 5. Types of Deposit Accounts

While various deposit products offered by JPMCB India are assigned different names, the deposit products can be categorized broadly into the following types:

- "Demand deposits" means a deposit received by JPMCB India which is withdrawable on demand;
- "Term deposit" means a deposit received by JPMCB India for a fixed period withdrawable after the expiry of the fixed period
- Term deposit can be categorized as following:
  1. **Time Deposits (TD)**
    - TDs (Time Deposits) allow Clients the flexibility to create fixed deposits for the amount and tenure as required by the them (subject to a minimum tenor of 7 days)
    - **Minimum amount:** Starting from INR 1 onwards
    - **Tenor:** starting from a minimum of 7 days (JPMCB India at its discretion may allow deposits beyond 365 days on a case to case basis subject to approval from Head, Treasury services product department looking after the Term deposit portfolio and Head, Chief Investment Office)
    - **Currency:** INR; FCY – Not permitted
    - **Maximum amount** – INR 500crore on a single day (JPMCB India at its discretion may allow deposits beyond this amount on a case to case basis subject to approval from Head, Treasury services product department looking after the Term deposit portfolio)
    - **Interest rate** – Only fixed rates. Bank does not offer time deposits with interest rate linked to any floating rates
    - The interest rate on the deposit depends on the period for which the funds are placed with the bank and will be in line with the Published deposit rate card for the day, displayed on the Bank's website and Branch Noticeboard
    - Single time deposit of INR 3 crore and above will be classified as Bulk deposits in line with RBI's Master Direction (Interest Rate on Deposits), 2016 as updated from time to time. Accordingly if any customer has placed multiple deposits, each of less than INR 3 crore during a single day, the same will not be considered as bulk deposit by the Bank

- Clients at the time of placing their deposits provide instruction to the Bank to book TDs by providing the amount, tenure of the deposit and instructions with regard to closure of deposit or renewal of deposit at maturity
  - When a term deposit is renewed on maturity, on renewed deposit, interest rate for the period specified by the depositor as applicable on the date of maturity as per the published rate card would be applied
  - Clients have the flexibility to renew only the Principal amount or Principal + Interest amount
  - Time deposit advice is provided to Client at the time of deposit booking or renewal, as well deposit maturity or deposit premature withdrawal
- Interest on Time deposits is paid on maturity or renewal of the time deposit

## 2. Unitized Time Deposits (UTD)

- UTDs (Unitized Time Deposits) automatically invests daily surplus balances beyond a threshold amount as advised by client to the Bank
- The minimum threshold amount (Target Balance), Unit size, and the tenor of the deposit can be selected by the Client in line with their liquidity requirements and as per the published deposit rate card for the day.
- **Minimum amount for Unit Size:** Starting from INR 500,000/- onwards (JPMCB India at its discretion may allow a unit size lower than this amount on a case to case basis subject to approval from Head, Treasury services product department looking after the Term deposit portfolio)
- **Tenor:** starting from a minimum of 7 days
- **Currency:** INR
- **Maximum amount for Unit Size –** INR 500crore (JPMCB India at its discretion may allow unit size higher than this amount on a case to case basis subject to approval from Head, Treasury services product department looking after the Term deposit portfolio)
- **Interest rate:** Clients have an option to have the fixed rate UTDs or link the Interest rates on UTDs to Treasury Bill rates (T-Bill rate)
  - T-bill rate published by FBIL on the last available Banking Day shall apply while calculating the interest rate
  - Interest rates on all T-bill linked UTDs booked will have the T-bill rates reset on a daily basis by default
- Interest on Unitized Time deposits is paid on maturity
- Unit size of INR 3 crore and above will be classified as Bulk deposits by the Bank in line with RBI's Master Direction (Interest Rate on Deposits), 2016 as updated from time to time. Accordingly if any customer has placed multiple deposit units, each unit of less than INR 3 crore during a single day, the same will not be considered as bulk deposit by the Bank
- Daily end-of-day available account balance is compared to target balance specified by the Client. If account balance > target balance, funds are swept into UTD program in multiples of the Unit Size
- If available account balance at End of Day < target balance, funds swept from UTD program in multiples of the Unit Size
- Principal and interest are credited to DDA account subject to deduction of applicable TDS under the Income Tax Act, 1961



- For all UTDs created, matured or prematurely withdrawn, Clients would be advised via an end of day report covering details of all of the UTD activities
- "Current Account" means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount
- JPMCB India at its discretion may allow its customer to open Demand deposits/ current accounts in INR and select foreign currencies subject to applicable regulations. Foreign currency demand deposit/ current accounts are supported in following currencies: USD, GBP, EUR, CAD, AUD, ZAR and CHF. Current accounts in these select foreign currencies will be EEFC accounts and shall be governed by applicable FEMA regulations. Currently, the Bank does not offer any FCY term deposits to its clients in India

## 6. Account Opening and Operation of Deposit Accounts

- JPMCB India before opening any deposit account will carry out due diligence as required under "Know Your Customer" (KYC) guidelines issued by RBI, Anti-Money laundering rules and regulations and or such other norms or procedures as per the applicable Customer Acceptance Framework of JPMCB India. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to the customer and the final decision of JPMCB India will be conveyed at the earliest to the customer.
- The account opening forms and other material would be provided to the prospective depositor by JPMCB India. The same will contain details of information to be furnished by the customer and documents to be produced for verification and / or for record. It is expected of the JPMCB India official opening the account, to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.
- Inability of an existing customer to furnish details required by JPMCB India to fulfill statutory obligations will result in closure of the account after due notice(s) is provided to the customer.
- For Deposit products like Current Deposit Account, JPMCB India may specify charges for issue of cheques books, stop payments, return of cheques, account maintenance, balance enquiry etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account. JPMCB India does not specify any minimum balance to be maintained in current deposit accounts.
- Current Accounts can be opened by Banks, Financial Institutions, Private and Public Limited Companies, Partnership Firms, Registered Societies and Trusts.



- Term Deposit Accounts can be opened by Financial Institutions, partnership firms, Private and Public Limited Companies, Registered Societies and Trusts.
- The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about nature of business and source of income.

In addition to the due diligence requirements, under KYC norms JPMCB India is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules wherever applicable or such other declaration or form as may be prescribed under the Income Tax Act / Rules

- Term Deposit accounts can be opened by an entity in its own name .
- At the request of the depositor, JPMCB India will register mandate / power of attorney given by him authorizing another person to operate the account on his behalf subject to prevailing regulations and policies
- The term deposit account holders at the time of placing their deposits have to give instructions with regard to closure of deposit account or renewal of deposit for a further period on the date of maturity at an interest rate for the period specified by the depositor as applicable on the date of maturity. When a term deposit is renewed on maturity, on renewed deposit, interest rate for the period specified by the depositor as applicable on the date of maturity would be applied.
- A statement of account will be provided by JPMCB India to Current Account Holders periodically as per terms and conditions of opening of the account.
- The deposit accounts may be transferred to any other branch of JPMCB India at the request of the depositor.

Bank will open current accounts / CC OD accounts in conformity with RBI Circular: RBI/2022-23/27 DOR.CRE.REC.23/21.08.008/2022-23 dated April 19, 2022 and any other circular or FAQ issued by RBI or IBA from time to time on Opening of Current Accounts by Banks. For current account opening of prospective customers who have not availed any credit facilities from the banking system, JPMCB India will obtain a Declaration from the customer that they do not have credit facilities with any other bank. The Declaration will also include an undertaking from the customer to proactively inform JPMCB India in case of any change i.e. if they avail any credit facilities from other banks. JPMCB India will conduct an independent check in the Central Repository of Information on Large Credits (CRILC) system to verify that there are no Banks listed in the system as lending Banks for the customer before opening the account and also on half yearly basis. As a part of the half yearly review, if there is a change in exposure of a particular bank or aggregate exposure of the banking system to the borrower which warrants implementation of new banking arrangements, such changes shall be implemented within a period of three months from the end of such half yearly review.

## 7. Interest Payments

- Banks should pay interest on term deposits, within the general guidelines issued by the Reserve Bank of India from time to time.
- The interest rates on deposits will be decided by JPMCB India and published in the public domain within the general guidelines issued by the Reserve Bank from time to time.
- Such interest should be paid at quarterly or longer resets.
  - In terms of Reserve Bank of India directives, interest shall be calculated at the stipulated intervals on term deposits and paid at the rate decided by JPMCB India depending upon the period of deposits. JPMCB India will also follow guidelines issued if any by Indian Banks' Association (IBA) from time to time with respect to term deposits
  - The rate of interest on deposits will be displayed in the branch premises and on the website of JPMCB India and be made readily available to facilitate any supervisory review. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be displayed in the branch premises and on the website of JPMCB India
  - JPMCB India has statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income-tax Act, 1961 and Rules framed thereunder, wherever applicable. JPMCB India will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit the relevant declaration in the prescribed form at the beginning of every financial year.
  - Maturity or reinvestment date for deposits: If the maturity date or the reinvestment date of the deposit falls on a day which is a holiday, it shall be postponed to the next business day. In the case of ordinary term deposits, the interest for the intervening holiday / non-business working day will be paid on the original principal amount.

## 8. Deposits without premature withdrawal facility

Basis client requirements, JPMCB India shall offer term deposits that do not have a premature withdrawal option provided that the amount of a single deposit is above INR 1 crore . At the time of creation of the term deposit, the Customer may elect not to prematurely withdraw the term deposit. If the Customer has elected not to prematurely withdraw the deposit, the Bank will not permit premature withdrawal of the deposit under any circumstances except where such premature withdrawal is on account of any of the following reasons:

- Insolvency/bankruptcy/winding up/dissolution of the depositor

- Directions / orders received from a competent court in relation to liquidation / premature withdrawal of the term deposit

Further, JPMCB India will have the discretion to offer differential interest rates based on whether the term deposits are with or without premature withdrawal facility subject to extant guidelines.

## 9. Unclaimed Deposits/Inoperative Accounts

The Depositor Education and Awareness Fund Scheme, 2014 -Section 26A of Banking Regulation Act, 1949

Pursuant to the amendment of the Banking Regulation Act, 1949, section 26A has been inserted in that Act, empowering Reserve Bank to establish The Depositor Education and Awareness Fund (the Fund). Under the provisions of this section the amount to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, on the last working day of the month subsequent to the month of completing 10 years of its continuous inoperative or unclaimed status. The Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. The depositor would, however, be entitled to claim from the bank her deposit or any other unclaimed amount or operate her account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund.

## 10. Legal and Other References

Statutes, Laws, Rules, Regulations or External Guidance	<ul style="list-style-type: none"> <li>• <a href="#">Circular No. DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024 on Inoperative Accounts /Unclaimed Deposits in Banks- Revised Instructions</a></li> <li>• <a href="#">Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016</a> – Updated as on June 07, 2024</li> <li>• <a href="#">RBI FAQ on Depositor Education and Awareness (DEA) Fund Scheme, 2014</a> dated March 5, 2024</li> <li>• <a href="#">Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks – April 19, 2022</a></li> <li>• <a href="#">Master Circular on Customer Service in Banks dated July 1, 2015</a></li> <li>• <a href="#">Deposit Insurance and Credit Guarantee Corporation Act, 1961</a></li> <li>• <a href="#">Deposit Insurance and Credit Guarantee Corporation Act, 1961 – Feb 2020</a></li> </ul>
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	<ul style="list-style-type: none"> <li>• <a href="#">The Depositor Education and Awareness Fund Scheme, 2014 -Section 26A of Banking Regulation Act, 1949</a></li> </ul>
Enterprise Library Application (ELA) Link	<ul style="list-style-type: none"> <li>• <a href="#">ELA home page</a></li> </ul>

## 11. Firm References

Other Firm Policies or Standards	<ul style="list-style-type: none"> <li>• This Framework will have to be read together with all applicable policies of the Firm</li> </ul>
Framework Supplements, Procedures, and Other Documents	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Forms/Systems	<ul style="list-style-type: none"> <li>• N/A</li> </ul>