

# J.P.Morgan

JPMorgan Chase Bank, N.A., India

## Deposit Policy

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## 1. Preamble

This policy 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, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights.

While adopting this policy, the JPMCB India reiterates its commitment to individual customers and Micro and Small Enterprises (MSMEs).as outlined in the code of Banks Commitment to Customers adopted by JPMCB India. 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 policy applies only to products as may be offered by JPMCB India.

## 2. Types of Deposit Accounts

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

- a. "Demand deposits" means a deposit received by JPMCB India which is withdrawable on demand;
- b. "Term deposit" means a deposit received by JPMCB India for a fixed period withdrawable only after the expiry of the fixed period
- c. "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;
- d. Savings deposits" means a form of demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by JPMCB India during any specified period;

## 3. Account Opening and Operation of Deposit Accounts

- A. 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 Policy 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.
- B. 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.

- C. 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.
- D. For Deposit products like Savings Bank Account and Current Deposit Account, JPMCB India may stipulate certain minimum balances to be maintained as part of the terms and conditions governing the operation of such accounts. Failure to maintain minimum balance in the account will attract levy of charges as disclosed by JPMCB India from time to time. For Saving Bank Account, JPMCB India may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, JPMCB India may specify charges for issue of cheques books, additional statement of accounts, duplicate passbook, folio charges, 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.
- E. Savings Bank Accounts can be opened for eligible person/ persons and certain organizations/ agencies (as advised by Reserve Bank of India (RBI) from time to time)
- F. Current Accounts can be opened by individuals Banks, Financial Institutions, Private and Public Limited Companies, Partnership Firms, Registered Societies and Trusts.
- G. Term Deposit Accounts can be opened by non-resident individuals, individuals; partnership firms, Private and Public Limited Companies, Registered Societies and Trusts.
- H. The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. JPMCB India may also require introduction of the prospective depositor from a person acceptable to JPMCB India. The Bank requires a recent photograph of the person/s opening / operating the account as a part of the due diligence process

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

- I. Term Deposit accounts can be opened by an individual or entity in his or its own name (status : known as account in single name) or by more than one individual in their own names (status : known as Joint Account) or for a Minor.
  - a. A savings / fixed / recurring bank deposit account can be opened by a minor of any age through his / her natural or legally appointed guardian.
  - b. Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire. Banks may, however, keeping in view their risk management systems, fix limits in terms of age and amount up to which minors may be allowed to operate the deposit accounts independently. They can also decide, in their own discretion, as to what minimum documents are required for opening of accounts by minors

- c. On attaining majority, the erstwhile minor should confirm the balance in his / her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor should be obtained and kept on record for all operational purposes.

Banks are free to offer additional banking facilities like internet banking, ATM / debit card, cheque book facility etc., subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit

Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother as the guardian (Status: known as Minor's Account). Minors above the age of 10 will also be allowed to open and operate saving bank account independently.

- J. Operation of Joint Term Deposit Account - The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly or severally. The mandate for operating the account can be modified by all the account holders. The Savings Bank Account opened by minor jointly with natural guardian/guardian can be operated by natural guardian only till the minor attains majority.
- K. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
  - a. **Either or Survivor:** If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.
  - b. **Former or Survivor:** If the account is held by two individuals say, A & B, the account shall be operated only by the first holder during his lifetime. The final balance along with interest, if applicable, will be paid to the survivor in the event of death of the Former depositor.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.

- L. 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
- M. The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for a further period on the date of maturity.  
In case no instructions are provided at the time of booking of deposits the Principal and interest at maturity will be credited back to the client's account in case of INR deposits.  
In case of absence of any instructions deposits will be treated as an auto renewal deposit and will be renewed for a similar period in case of foreign currency deposits.
- N. Nomination facility is available on all term deposit accounts opened by individuals. Nomination is also available to a sole proprietary concern account. Nomination can be made in favour of one individual only. Nomination so made can be cancelled or changed by the account holder/s any time. While making nomination, cancellation or change thereof, it is required to be witnessed by a third party. Nomination can be modified by the consent of account holder/s. Nomination can be made in favour of a minor also.
- O. JPMCB India recommends that all depositors avail of the nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding

in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.

- P. A statement of account will be provided by JPMCB India to Savings Bank /Current Account Holders periodically as per terms and conditions of opening of the account.
- Q. The deposit accounts may be transferred to any other branch of JPMCB India at the request of the depositor.
- R. Minors' Accounts

To promote the objective of financial inclusion and also to bring uniformity among banks in opening and operating minors' accounts, banks are advised as under:

- a. A savings / fixed / recurring bank deposit account can be opened by a minor of any age through his / her natural or legally appointed guardian.
- b. Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire. Banks may, however, keeping in view their risk management systems, fix limits in terms of age and amount up to which minors may be allowed to operate the deposit accounts independently. They can also decide, in their own discretion, as to what minimum documents are required for opening of accounts by minors.
- c. On attaining majority, the erstwhile minor should confirm the balance in his / her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor should be obtained and kept on record for all operational purposes

Banks are free to offer additional banking facilities like internet banking, ATM / debit card, cheque book facility etc., subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit

- S. Senior Citizen Fixed Deposits

JPMCB India may offer a higher rate of interest on Fixed Deposits within the Minimum and Maximum range of as stipulated by the RBI from time to time. JPMCB India would also be guided by all applicable income tax rules pertaining to fixed deposits held by Senior Citizens

- T. Account of Illiterate/ Blind Person

JPMCB India may at its discretion open deposit accounts other than Current Accounts of illiterate person. The account of such person may be opened provided he/ she calls on JPMCB India personally along with a witness who is known to both the depositor and JPMCB India. Normally, no cheque-book facility is provided for such Savings Bank Account. At the time of withdrawal/ repayment of deposit amount and/ or interest, the account holder should affix his/ her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. JPMCB India will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. JPMCB India official shall explain the terms and conditions governing the account to the illiterate/ blind person.

#### 4. Interest Payments

- A. Banks should pay interest on savings deposits and term deposits, including FCNR deposits, within the general guidelines issued by the Reserve Bank of India from time to time.

- B.** In view of the satisfactory level of computerization in commercial bank branches, scheduled commercial banks were advised to calculate interest on savings bank accounts on a daily product basis with effect from April 1, 2010.
- C.** Consequent to the deregulation of interest rates of domestic savings deposits accounts held by residents in India with effect from October 25, 2011, banks are free to determine their savings bank deposit interest rate, subject to the following two conditions:
- a. First, each bank will have to offer a uniform interest rate on savings bank deposits up to Rupees one lakh, irrespective of the amount in the account within this limit. While calculating interest on such deposits, banks are required to apply the uniform rate set by them on end-of-day balance up to Rupees one lakh.
  - b. Second, for any end-of-day savings bank balance exceeding Rupees one lakh, a bank may provide differential rates of interest, if it so chooses, subject to the condition that banks will not discriminate in the matter of interest paid on such deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices.
- D.** The interest rates on deposits (INR and FCNR 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.
- E.** Such interest should be paid at quarterly or longer rests. Interest on savings bank accounts should be credited on regular basis whether the account is operative or not.
- a. 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. The interest on term deposits is calculated by JPMCB India in accordance with the formulae and conventions advised by Indian Banks' Association.
  - b. The rate of interest on deposits will be displayed in the branch premises and on the website of JPMCB India. 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
  - c. 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 Date for Deposits: If the maturity 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 Saturday / Sunday / holiday / non-business working day will be paid on the original principal amount.

## **5. Floating rate term deposits**

JPMCB India shall offer floating rate domestic term deposit clearly linked to an anchor rate. 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. For such deposits, the floor of the customer interest payout will be restricted to 0%

## **6. Approval for deposits**

JPMCB offers term rate and floating rate term deposits to customers. Approval is taken from the

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JPMCB's Asset-Liability Committee (ALCO) every month prior to offering rates to clients. JPMCB shall ensure that the deposit rate offered to customers at the time of booking during the month is within the ALCO approved range of rates for all deposits. A post facto submission is also 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

## **7. Deposits without premature withdrawal facility**

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 15 lakhs. 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:

- (i) death of the depositor;
- (ii) insolvency/bankruptcy/winding up/dissolution of the depositor
- (iii) 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.

## **8. Addition or deletion of the name/s of joint account holders**

JPMCB India may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder

## **9. 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.

## **10. 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.

## **11. 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.

## **12. 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 an 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.

## **13. 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. If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, no value dating will be permitted.

## **14. 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.

## **15. Deceased account handling**

### **A. Settlement of dues in deceased deposit account**

If the depositor has registered nomination with JPMCB India, the balance outstanding in the account of the deceased depositor will be transferred to the account of/ paid to the nominee after the Bank satisfies about the identity of the nominee, etc.

The above procedure will be followed even in respect of a joint account where nomination is registered with JPMCB India.

In a joint deposit account, when one of the joint account holders dies, JPMCB India is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former/ latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

In the absence of nomination and when there are no disputes among the claimants, JPMCB India will pay the amount outstanding in the account of deceased person against joint application and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by JPMCB India's management. This is to ensure that the common depositors

are not put to hardship on account of delays in completing legal formalities

#### **B. Interest payable on term deposit in deceased account**

In the event of death of the depositor before the date of maturity of the deposit and the amount of the deposit being claimed after the date of maturity, JPMCB India shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, JPMCB India shall pay simple interest at the applicable rate operative on the date of maturity, for the period for which the deposit remained with JPMCB India beyond the date of maturity.

However, in the case of death of the depositor after the date of maturity of the deposit, JPMCB India shall pay interest at savings deposit rate obtaining on the date of maturity from the date of maturity till the date of payment.

#### **16. 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.

#### **17. 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.

#### **18. Dormant Accounts**

Accounts which are not operated for a period of two years wherein there are no transactions initiated by the customer will be classified as dormant / inoperative accounts in the interest of the depositor as well as JPMCB India. The depositor can request JPMCB India to activate the account for operating it.

#### **19. 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.

#### **20. 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, within a period of three months from the expiry of the said period of ten years. 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.

Operational Guidelines: Please refer to the RBI Circular "The Depositor Education and Awareness Fund Scheme, 2014 –Section 26A of Banking Regulation Act, 1949- Operational Guidelines" Dated 27 May 2014.

### **Foreign Currency Deposits**

Credit balances in any inoperative foreign currency denominated deposit will be crystallised, and converted into Indian Rupee, in the manner indicated below:

- a. In case a foreign currency denominated deposit with a fixed maturity date remains inoperative for a period of three years from the date of maturity of the deposit, at the end of the third year, the balances lying in the foreign currency denominated deposit shall be converted into Indian Rupee at the exchange rate prevailing as on that date. Thereafter, the depositor shall be entitled to claim either the said Indian Rupee proceeds and interest thereon, if any, or the foreign currency equivalent (calculated at the rate prevalent as on the date of payment) of the Indian Rupee proceeds of the original deposit and interest, if any, on such Indian Rupee proceeds.
- b. In case of foreign currency denominated deposit with no fixed maturity period, if the deposit remains inoperative for a period of three years (debit of bank charges not to be reckoned as operation), after giving a three month notice to the depositor at his last known address available with JPMCB India, JPMCB India shall, convert the deposit from the foreign currency in which it is denominated to Indian Rupee at the end of the notice period at the prevailing exchange rate. Thereafter, the depositor shall be entitled to claim either the said Indian Rupee proceeds and interest thereon, if any, or the foreign currency equivalent (calculated at the rate prevalent as on the date of payment) of the Indian Rupee proceeds of the original deposit and interest, if any, on such Indian Rupee proceeds.

### **DISPLAY OF DATA ON UNCLAIMED DEPOSITS ON WEB SITE OF JPMCB INDIA:**

JPMCB India should display the list of unclaimed deposits / inoperative accounts which are inactive / inoperative for ten years or more on the website. The list so displayed on the websites must contain only the names of the account holder(s) and his / her address in respect of unclaimed deposits / inoperative accounts. However, the account number, its type and the name of the branch shall not be disclosed on JPMCB India 's website. 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.