

# Banks get time till Dec 31 to renew locker contracts

A large number of deposit locker holders yet to sign the revised agreement

ABHIJIT LELE

Mumbai, 23 January

The Reserve Bank of India (RBI) on Monday gave banks time till the end of December to complete renewal of agreements for the existing safe deposit lockers of customers. Banks were earlier required to complete the process by January 1.

The central bank has asked them to complete work in phases with intermediate milestones of 50 per cent by June 30, and 75 per cent by September 30. Further, lockers that have been frozen for non-execution of agreement by January 1 should be unfrozen with immediate effect, the RBI said in a statement on Monday.

On August 18, 2021, the RBI had asked banks to enter into revised agreements with existing locker holders by January 1. However, it noticed that a large number of customers were yet to sign the revised

## Stop remittance transactions immediately: RBI to SBM Bank

The Reserve Bank of India has asked SBM Bank (India), the Indian subsidiary of State Bank of Mauritius (SMB), to immediately stop transactions under the Liberalised Remittance Scheme (LRS) until further notice. The banking regulator in a statement said the action was



based on certain material supervisory concerns observed in the bank. It, however, did not elaborate on the nature of concerns. LRS pertains to external remittances by resident individuals for purposes like abroad studies, medical treatment,

maintenance of close relatives, and investments and travel. SBM commenced operations in India on December 1, 2018. It was the first universal bank in the country to receive a banking licence from the RBI through the wholly owned subsidiary (WOS) route. Globally, it is part of SBM Group. ABHIJIT LELE

agreement. In many cases, the banks were yet to inform customers about the need to do so before the stipulated date (January 1), the RBI added.

Banks should make necessary arrangements to facilitate execution of the revised agreements by ensuring the availability of stamp paper, etc.

The August 2021 guidelines

pertain to customer due diligence, model locker agreement, locker rent, security of strong rooms, and attachment and recovery of contents in a locker and the articles by any law enforcement authority, among others.

The RBI further said there is a need for revision in the model agreement drafted by

the Indian Banks' Association (IBA) to fully comply with the revised instructions.

"The IBA is being advised separately to review and revise the model agreement to ensure that it complies with the requirements of circular dated August 18, 2021, and circulate a revised version to all banks by February 28, 2023," it said.