

Nomination rules under Section 45QB of RBI Act for NBFC deposits

DNBS(PD)C.C.No. 27 /02.05/2003-04

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To
All Non-Banking Financial Companies
(including Residuary Non-Banking Companies)

Dear Sirs,

Nomination rules under Section 45QB of RBI Act for NBFC deposits

In terms of Section 45QB of the RBI Act, the depositor/s of NBFCs may nominate, in the manner prescribed under the rules made by the Central Government under Section 45ZA of the Banking Regulation Act, 1949 (B.R.Act). **one person** to whom, in the event of death of the depositor/s, the amount of deposit may be returned by the NBFC. It has been decided in consultation with the Government of India, that the Banking Companies (Nomination) Rules, 1985 are the relevant rules made under Section 45ZA of the B. R. Act. A copy of the rules is enclosed.

2. Accordingly, NBFCs may accept nominations made by the depositors in the form similar to that specified under the said rules. Forms DA1, DA2, and DA3 are specified in the rules for the purposes of nomination, cancellation of nomination and variation of nomination. The heading of the Forms may be modified by NBFCs, for instance, in form DA1 for nomination, the heading reads –

“Nomination under Section 45ZA of the Banking Regulation Act, 1949 and the Rule 2(1) of the Banking Companies (Nomination) Rules, 1985 in respect of bank deposits”

this may be changed to –

“Nomination under Section 45QB of the Reserve Bank of India Act, 1934 [read with Section 45ZA of the Banking Regulation Act, 1949 and Rule 2(1) of the Banking Companies (Nomination) Rules, 1985] in respect of deposits with non-banking financial companies.”

Similar changes in the forms DA2 and DA3 (the forms for cancellation of nomination and variation of nomination) may be made by NBFCs.

Yours faithfully,

Sd/-

(O. P. Aggarwal)

Chief General Manager in-Charge

Encls : 6 sheets