

Key Provisions relating to Nomination under the Banking Laws (Amendment) Act, 2025 to come into effect from 1st November 2025

Provisions aim to give depositors the flexibility to make nominations as per their preference, allow Multiple Nominations (up to 4), ensuring uniformity, transparency, and efficiency in claim settlement

Banking Laws (Amendment) Act, 2025 envisions to strengthen governance standards, enhance depositor and investor protection, improve audit quality in PSBs, promote customer convenience, among others

Posted On: 23 OCT 2025 12:06PM by PIB Delhi

The Key Provisions relating to Nomination under the Banking Laws (Amendment) Act, 2025 will come into effect from 1st November 2025. The *Banking Laws (Amendment) Act, 2025* was notified on 15th April 2025 (Gazette Notification link attached below). It contains a total of 19 amendments across five legislations—the *Reserve Bank of India Act, 1934*, *Banking Regulation Act, 1949*, *State Bank of India Act, 1955* and *Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980*.

The notification said that the provisions of the *Banking Laws (Amendment) Act, 2025* “shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint” and different dates may be appointed for different provisions of the Act.

Accordingly, the Central Government has notified that the provisions contained in **Sections 10, 11, 12 and 13** of the *Banking Laws (Amendment) Act, 2025* shall come into force with effect from **1st November 2025**. The **Gazette Notification** to this effect is available at the link below.

The provisions now being brought into effect from 1st November 2025 through Sections 10, 11, 12 and 13 relate to nomination facilities in respect of deposit accounts, articles kept in safe custody, and the contents of safety lockers maintained with banks.

The key features of these provisions are as follows:

- i. **Multiple Nominations:** Customers may nominate up to four persons, either simultaneously or successively, thereby simplifying claim settlement for depositors and

their nominees.

- ii. **Nomination for Deposit Accounts:** Depositors may opt for either simultaneous or successive nominations, as per their preference.
- iii. **Nomination for Articles in Safe Custody and Safety Lockers:** For such facilities, only successive nominations are permitted.
- iv. **Simultaneous Nomination:** Depositors may nominate up to four persons and specify the share or percentage of entitlement for each nominee, ensuring that the total equals 100 percent and enabling transparent distribution amongst all nominees.
- v. **Successive Nomination:** Individuals maintaining deposits, articles in safe custody, or lockers may specify up to four nominees, where the next nominee becomes operative only upon the death of the nominee placed higher, ensuring continuity in settlement and clarity of succession.

The implementation of these provisions will give depositors the flexibility to make nominations as per their preference, while ensuring uniformity, transparency, and efficiency in claim settlement across the banking system.

The Banking Companies (Nomination) Rules, 2025, detailing the procedure and prescribed forms for making, cancelling, or specifying multiple nominations, will be published in due course to operationalise these provisions uniformly across all banks.

The Central Government had earlier appointed **1st August 2025** as the date on which certain provisions of the said Amendment Act, namely **Sections 3, 4, 5, 15, 16, 17, 18, 19 and 20**, came into force vide Gazette Notification S.O. 3494(E) dated 29th July 2025. The **Gazette Notification** to this effect is available at the link below.

The Banking Laws (Amendment) Act, 2025 aims, *inter-alia*, to strengthen governance standards in the banking sector, ensure uniformity in reporting by banks to the Reserve Bank of India, enhance depositor and investor protection, improve audit quality in public sector banks, and promote customer convenience through improved nomination facilities. The Act also provides for rationalisation of the tenure of directors, other than the Chairman and whole-time directors, in co-operative banks.

Links:

- Gazette Notification S.O. 4789 (E) dated 22.10.2025
[https://egazette.gov.in/\(S\(ez1raoliuesdpfg0gurwb5uo\)\)/ViewPDF.aspx](https://egazette.gov.in/(S(ez1raoliuesdpfg0gurwb5uo))/ViewPDF.aspx)
- €Link for Gazette Notification dated **15th April 2025**
https://financialservices.gov.in/beta/sites/default/files/2025-05/Gazette-Notification_1.pdf
- €Link for Gazette Notification **S.O. 3494(E)** dated **29th July 2025**:
<https://egazette.gov.in/WriteReadData/2025/265059.pdf>
- €Link for earlier PIB release dated 30th July 2025:
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2150371>

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