

## **Terms and Conditions for CASA Accounts**

These terms and conditions apply to and regulate the operation of the CASA Accounts (the "Account") offered by Bhutan National Bank. These terms and conditions shall be in addition to any other terms as stipulated by BANK from time to time.

### **1. Applicability of Terms**

These terms and conditions form the contract between the Customer and BANK. The Customer shall apply to BANK in the prescribed form for opening of the Account and availing of the related Services. By applying for opening the Account, the Customer acknowledges that he/she has/have read understood and accepted these terms and conditions.

### **2. Account Opening**

The account opening formalities are governed by the policies of BANK and may be revised from time to time. It may require customer/s to submit duly filled application form/s along with the prescribed set of documents stipulated. Any transactions undertaken from this account shall be in compliance of all the RMA rules, regulations or notifications there under.

### **3. Operating Accounts**

3.1 An Account may be opened in the names of:

- (i) An individual in his/her own name.
- (ii) Two or more persons in their joint names.

3.2 All the Accounts maintained in the name of an individual shall be operated singly by the individual and in the case of joint accounts, by the account holders jointly, or by either of the joint-holder/s or as may be specified by the joint account holder/s in the opening form, or by their Power of Attorney holders and accepted by BANK in its discretion.

3.3 In case of joint Accounts, any change in operational instructions or any other information with regard to the Account Opening Form is to be given by all the joint account holders irrespective of the mode of operation.

3.4 The Customer is/are expected to examine the entries in the Account and draw the attention of BANK to any errors or omissions that might be discovered. BANK does not accept any responsibility for any loss arising out of failure on the part of the Customer to carry out examination of entries in the statement and to point out such error and/or omission within fourteen (14) days from the date of the statement.

3.5 The Customer shall open the Account with a minimum balance as prescribed by the Bank.

### **4. Cheque Book**

4.1 Cheque books can be requisitioned through the requisition leaf available in the cheque book or through Internet banking subject to satisfactory conduct of the Account. Cheque books are subject to charges as predefined by the Bank.

4.2 Alterations, if any, on cheque are required to be authenticated by the drawer's signature (Full) against each such alteration. BANK reserves the right to refuse payment of cheque that has been altered in any way unless the alteration is authenticated by the drawer under full signature as per specimen on record with BANK. Cheque should be drawn in such a way as to prevent alteration after issue and the drawer's signature should be uniform with that on record.

4.3 BANK will accept instructions from the drawer for stopping payment requests against cheque that are lost, stolen or not required to be paid against, only if such instructions are received from the drawer by the Bank, prior to presentment of such cheque at the Bank. The BANK shall not be responsible in any manner whatsoever for any losses caused, or payments made, if the cheque are presented for payment to BANK prior to receipt of instructions, if any, from the drawer of the cheque. BANK may charge Service charge for such countermanding instructions.

4.4 Customer should issue cheque in the account only after making prior arrangement of funds in the account to avoid returns/dishonour. If a cheque issued by a Customer is required to be returned for insufficient balance in the Account or for being in excess of arrangements, a penalty/charge may be levied by BANK as determined by RMA. In case of large number of returns/dishonours in the account, the Bank reserves the right to take corrective action for the specific accounts as deemed fit.

### **5. Safe Keep of Debit Card, Passwords and Cheque Book**

- 5.1 The Customer shall be solely responsible for the safe-keeping and the confidentiality of the statements of account, balance confirmation certificate, cheque books, Debit card and its PIN, user id and passwords relating to internet banking and such other items relevant or pertaining to the Account.
- 5.2 Customers are to be advised that they keep the cheque book safely in their custody such that no fraud can be perpetuated. Common precautions that need to be observed are:
  - i. Keeping unused cheque book under lock and key
  - ii. Not to give any blank cheque as payment or keep them unattended.
  - iii. Keeping record of the cheques issued
  - iv. Crossing the cheques whenever issued to the extent possible.

## **6. Conduct of Account**

- 6.1 A Customer may request for transfer of his/her Account from one branch to another branch of BANK by giving a written request. BANK will transfer the Account to another branch.
- 6.2 Transactions are entertained normally during banking hours at the branch where the Account is maintained or at any other branches or Extension offices. BANK shall not be liable for any delay on any account of failure of connectivity.
- 6.3 Standing instructions are accepted free of charge for transferring funds.

## **7. Dormant Account**

- 7.1 Savings Account and Current account will be treated as dormant (also termed as Inoperative or Stale Accounts) if there are no customer induced transactions in the account for a continuous period of 3 years.
- 7.2 After the account becomes dormant & if the amount is not claimed, it will be transferred to RMA as per the RMA's Abandoned Property (AP) Directive.
- 7.3 When the account becomes dormant, yearly charges of Nu. 150.00 will be charged. Thereafter as & when the balance in the account becomes zero, the account will be closed.

## **8. Collection Facility**

- 8.1 Cheques & drafts issued in favor of the Customer are accepted for collection on Customer's behalf. Cheque & drafts may be tendered for collection in the day as required vis-a-vis the local clearing house timings. BANK does not accept or share any responsibility for delay in realization of such instruments or for the genuineness, validity or correctness of the signatures or endorsements thereon. The withdrawals against such instruments are permissible only on realization of proceeds by BANK.
- 8.2 BANK has the authority to debit the accounts to recover any amount credited erroneously.
- 8.3 Cheque, drafts or other instrument deposited on any day which is a Sunday or public holiday or after the time of clearing for the day is normally effected by BANK shall be sent for clearing on the next business day of BANK.

## **9. Charges/Fees**

Charges in connection with the operation of the Account and the Services would be levied at the rates as prescribed on the Website from time to time. Charges will be debited to the Account at such intervals as may be deemed fit by BANK.

## **10. Payment of Interest/Minimum Balance**

- 10.1 Interest so accrued is credited to the deposit account if the daily closing balance for the entire month was more than Nu. 1,000.00. the accrued will be credit on last day of each calendar month in the Account at the rate in force.
- 10.2 Account opened after the 10<sup>th</sup> of the month will not be eligible for interest for the first. Account closed before the 10<sup>th</sup> of the month will be not eligible for interest.

## **11. Statement of Account**

Statement of account shall be available from the Bank's customer service desk as and when required. The Bank has in place various online facilities such as internet banking, mPay, where one can check/view the account statement.

## 12. Death or Incompetence

The Customer agrees to notify BANK promptly if any of the joint account holders or authorized signatory of the Account dies or is declared incompetent by a court.

## 13. Nomination

Nomination facility is available for the Account in the names of individuals. In case the nominee is a minor, the proceeds shall be paid to him/her only on attaining maturity, or to the minor's court-appointed guardian. The account holder can give in writing to revise/change the nomination during the currency of the account with BNB.

## 14. Change of Terms

BANK shall have the absolute discretion to amend or supplement any of the Terms at any time. BANK may communicate the amended Terms by hosting the same on the Website or in any other manner as decided by BANK. The Customer shall be responsible for regularly reviewing these Terms including amendments thereto as may be posted on the Website.

## 15. Indemnity

- a) The Customer hereby agrees that the Customer shall, at his/its own expense, indemnify, defend and hold harmless BANK from and against any and all liability any other loss that may occur, arising from or relating to the operation or use of the Account or the Services or breach, non-performance or inadequate performance by the Customer of any of these Terms or the acts, errors, representations, misrepresentations, misconduct or negligence of the Customer in performance of its obligations.
- b) Under no circumstances shall BANK be liable to the Customer for any indirect, incidental, consequential, special or exemplary damages in connection with the Account or the Services.
- c) BANK shall not be liable for any failure to perform any obligation contained in these Terms or for any loss or damage whatsoever suffered or incurred by the Customer howsoever caused and whether such loss or damage is attributable (directly or indirectly) to any dispute or any other matter or circumstances whatsoever.
- d) The Customer shall indemnify BANK as collecting banker for any loss or damage which BANK may incur or suffer by guaranteeing any endorsement or discharge on a cheque, bill or other instrument presented for collection and such guarantee as given by BANK shall be deemed to have been given in every case at the Customer's express request.
- e) The Customer shall keep BANK indemnified at all times against, and save BANK harmless from all actions, proceedings, claims, losses, damages, costs, interest (both before and after judgement) and expenses (including legal costs on a solicitor and client basis) which may be brought against or suffered or incurred by BANK in resolving any dispute relating to the Customer's Account with BANK or in enforcing BANK's rights under or in connection with these Terms and conditions contained herein, or which may have arisen either directly or indirectly out of or in connection with BANK performing its obligations hereunder or accepting instructions, including but not limited to, fax and other telecommunications or electronic instructions, and acting or failing to act thereon.
- f) If any sum due and payable by the Customer is not paid on the due date, including without limitation any moneys claimed under this Paragraph, the Customer shall be liable to pay interest (both after as well as before any judgement) on such unpaid sum at such rate or rates as BANK may from time to time stipulate from the date payment is due up to the date of payment.
- g) The Customer shall solely be responsible for ensuring full compliance with all the applicable laws and regulations in any relevant jurisdiction in connection with establishment of his/her Account with BANK and shall indemnify and keep indemnified BANK from all actions, proceedings claims, losses, damages, costs and expenses (including legal costs on a solicitor and client basis) which may be brought against or suffered or incurred by BANK in connection with any failure to comply with any such applicable laws/regulations.
- h) The indemnities as aforesaid shall continue notwithstanding the termination of the Account.

## 16. Governing Law

The laws of Kingdom of Bhutan shall govern these Terms. The Parties hereby agree that any legal action or proceedings arising out of the Terms shall be brought in the courts in Bhutan and irrevocably submit themselves to the jurisdiction of such courts. BANK may, however, in its absolute discretion, commence any legal action or proceedings arising out of the Terms in any other court, or other appropriate forum, and the user hereby consents to that jurisdiction. Any provision of these Terms, which is prohibited or unenforceable

in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but shall not invalidate the remaining provisions of the Terms or affect such provision in any other jurisdiction.

## 17. Disclosure

16.1 The Customer hereby irrevocably authorizes BANK to disclose, as and when BANK is required to do so by applicable law or when BANK regards such disclosure as necessary or expedient (including but not limited to disclosures for the purpose of credit review of any Account, service/s or credit facilities received by the Customer from BANK whether singly or jointly with others or otherwise), any information relating to the Customer, his/her Account(s) or other assets or credit facilities whatsoever held on the Customer's behalf to:-

- a. The head office, affiliates or any other branches or subsidiaries of BANK;
- b. his/her auditors, professional advisers and any other person(s) under a duty of confidentiality to the Bank;
- c. Vendors, installers, maintainers or servicers of BANK's computer systems;
- d. any exchange, market, or other authority or regulatory body having jurisdiction over BANK, its head office or any other branch of BANK or over any transactions effected by the customer or the Borrower or for the customer's or the Borrower's account;
- e. Any party entitled to make such demand or request;
- f. Any person with whom BANK contracts or proposes to contract with regard to the sale or transfer or sharing of any of its rights, obligations or risks under the Terms;
- g. any person (including any agent, contractor or third party service provider) with whom BANK contracts or proposes to contract with regard to the provision of services in respect of the Customer's or the Borrower's account(s) or Facilities (as the case may be) or in connection with the operation of BANK's business;
- h. any person employed with, or engaged as an agent by, the Bank or its head office or affiliates, including any Banking officers for the purposes of or in connection with interactions with the Customers or providing services to the customers or the Borrower's or processing transactions pertaining to the Customers' or the Borrower's accounts or Facilities; and
- i. To enable BANK to centralize or outsource its data processing and other administrative operations) to BANK's head office, its affiliates or third parties engaged by the Bank for any such services/operations.

16.2 The Customer hereby agrees and consents that BANK shall be entitled, in connection with the Customer's application for any account, facilities or services provided by BANK, or during the course of the Customer's relationship with BANK, to obtain and procure information pertaining to the Customer or any of his/ her/ its accounts, legal or financial position from whatever sources available to BANK.

## 18. Closure of the Account

BANK reserves the right to close or freeze the Account(s), after due notice to the Customers for reasons which may include, but not limited to, the following:

- i) In case any of the documents furnished towards Identity and address proof are found to be fake / forged / defective.
- ii) In case fraudulent, forged, fake cheques or any such instruments are attempted to be cleared through the Account.
- iii) Improper conduct of the Account in terms of volume/type of transactions.
- iv) For unsatisfactory conduct of the Account.
- v) As per the instructions from the Court, ACC or such authorities.
- vi) The Customers shall be solely liable for return of cheques/dishonouring of any instruments consequent to such closure and all costs / charges arising out of such closure / freezing of the Account(s).
- vii) Upon closure of the Account(s) for any of the reasons specified above or otherwise, the Customer shall take steps to collect any balance amount in the Account, if any, and till such time the Customer collects such amounts, BANK reserves the right to keep such amounts in a special office account without any interest being payable on the same.

Disclaimer:

"BANK may, at its sole discretion, utilize the services of external service provider/s or agent/s and on such terms as required or necessary, in relation to its products/services."

