

**JAIIB Examination
10-Minute Series
(Principle and Practices of Banking)
Module A-Banker's Special Relationship
Part-1**



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Mandate

A Mandate is an **authority given** by the account holder in favour of a third person to do certain acts on his behalf.

This is issued by the account holder to his bank.

Unstamped

Specimen Signature of Mandate Holder /Mandatee

Normally temporary for a short period

Ceases to be valid –death, insanity, insolvency of account holder

Withdraw at anytime by account holder



Mandate Holder Power and Limitation



Cheque book and an ATM card issued to mandate holder



Cannot open or close NRE FDs and NRO FDs



Cannot repatriate funds other than to A/C holder



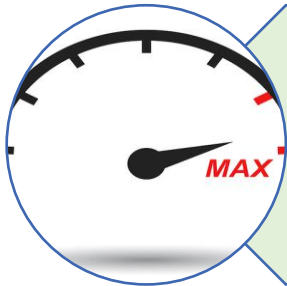
He cannot gift funds



Mandate Holder Power and Limitation



Mandate holder can issue cheques for local payment



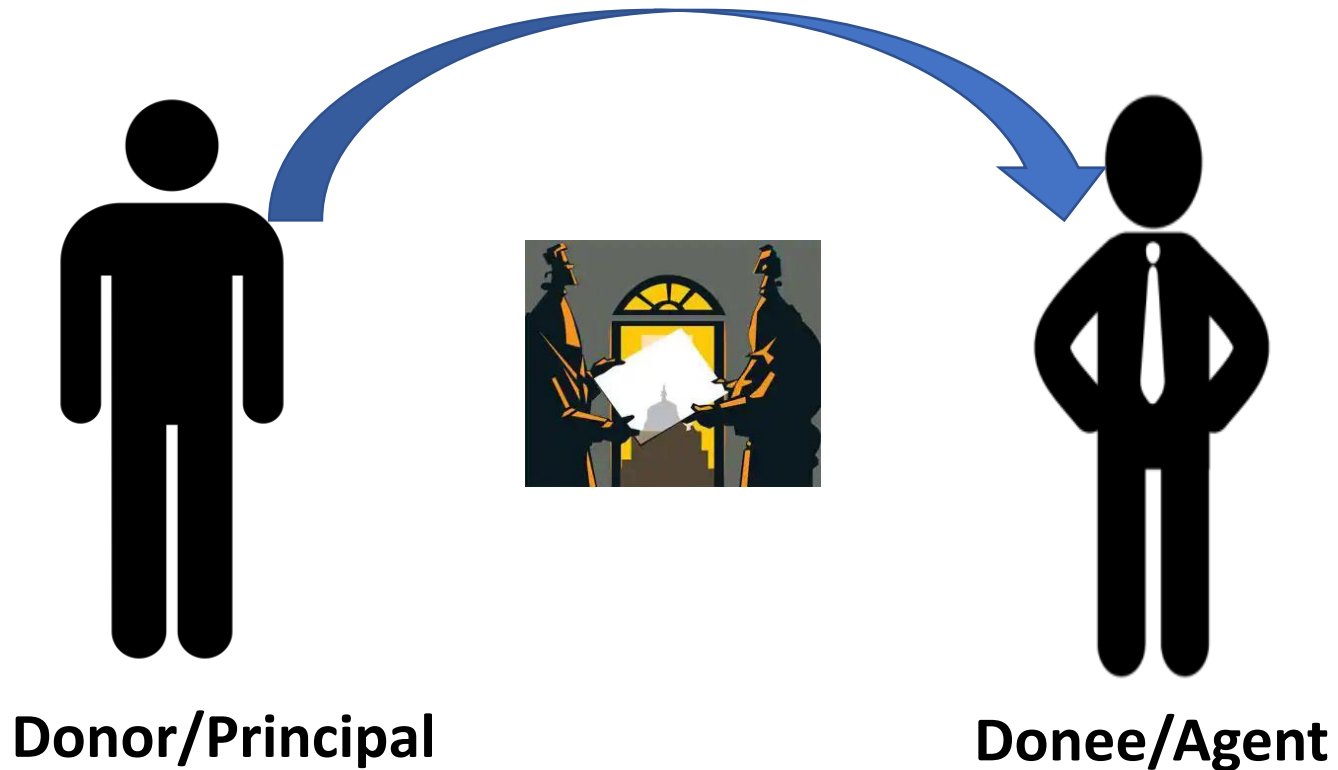
The account holder can set limits on the maximum amount that the mandate holder can debit from the account.



The mandate holder cannot change personal details, such as name and address, or close the account.



Power of Attorney



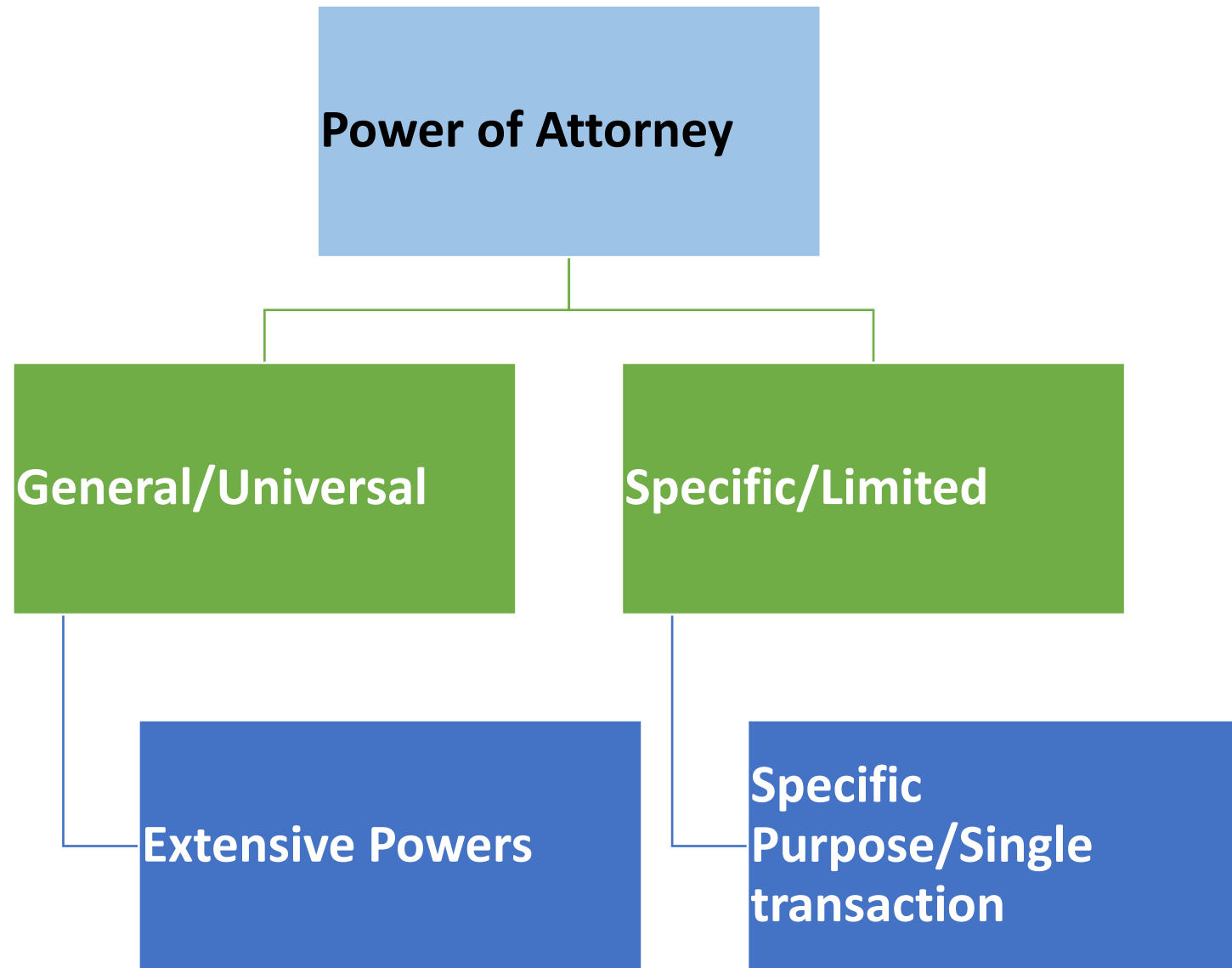
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Power of Attorney

Can be revoked at any time

Revoked by death, insanity ,insolvency of Principal.

Fiduciaries such as executors, administrators and legal guardians cannot appoint agents.

An attorney cannot delegate his powers unless his power of attorney specifically provides for the **power of substitution**.



Banker's Lien

Right of Banker to retain possession of goods and securities until debt is paid. (not balances)

Power to sell goods incase of default

Indian Contract Act, 1872-
absolute right of General Lien

Particular Lien



Hold / Lien
in Bank Account



Where doesn't Lien apply?

Safe Custody of Articles

Documents deposited for specific purpose

Articles negligently left in Bank premises

Immature debts

Stolen goods

No simultaneous rights to bank'

Joint Account



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JAIIB – PPB PRACTICE QUESTIONS

Q. 1

A mandate holder can perform which of the following activities?

- a) Open and close an NRE or NRO Fixed Deposit
- b) Withdraw funds and issue cheques for local payments
- c) Gift funds from the account
- d) Change the personal details of the account holder

Answer: Option B



JAIIB – PPB PRACTICE QUESTIONS

Q. 4

Which of the following is NOT covered under a bank's general lien?

- a) Fixed Deposits (FDs) held with the same bank
- b) Gold ornaments pledged for a loan
- c) Money deposited for a specific purpose
- d) Customer's share certificates held as security

Answer: Option C



Thank You

For More Info Contact us:



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