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20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **A power of attorney authorises an agent to act on the principal's behalf in property and financial matters.**
   The POA-holder can step into the principal's shoes for the specific dealings the document defines.

2. **A mandate is a simple written authority letting a named person operate a bank account, usually unstamped.**
   Banks accept mandates as a lighter-weight authorisation than a power of attorney for day-to-day account operation.

3. **The person who grants a power of attorney is called the principal, also known as the donor.**
   The principal is the one whose authority is being delegated to another person.

4. **The person who receives a power of attorney is called the agent or attorney.**
   The agent exercises the authority granted by the principal within the document's defined limits.

5. **A power of attorney generally must be stamped under the Indian Stamp Act.**
   Stamping is a key legal formality that distinguishes a POA from a simple mandate letter.

6. **Stamp duty on a power of attorney can vary by state because several states have amended stamping provisions.**
   Candidates should confirm exact duty on the applicable state law rather than assume a fixed national figure.

7. **A special or limited power of attorney covers only a one-time transaction, such as a single property sale.**
   The agent under a special POA has no authority beyond what that limited document specifically assigns.

8. **A general power of attorney is granted for a broad purpose and can operate over a length of time.**
   It functions like a master key covering many acts rather than one defined transaction.

9. **In a mandate, the person appointed to act is called the mandatary.**
   Mandataries must be of legal age and capable of performing the assigned obligation.

10. **A mandate is signed by both the mandator and the mandatary.**
    This dual signing distinguishes it from a power of attorney, which the principal alone signs.

11. **A power of attorney is made and signed only by the principal, not the agent.**
    The principal unilaterally grants authority; the agent's acceptance is not a co-signature requirement.

12 **For joint bank accounts, all the depositors must sign the mandate letter.**

Every joint holder's consent is required before a new operator is permitted on the account.

13 **For partnership firm accounts, all the partners of the firm must sign the mandate letter.**

Bank mandate rules require full partner consent, mirroring the joint-account requirement.

14 **For an HUF account, the mandate must be signed by the Karta and all the major co-parceners.**

This ensures every person with authority over the HUF's account agrees to the mandate.

15 **If an HUF mandate favours a third party, an indemnity must be executed by the Karta and major co-parceners.**

The indemnity protects the bank when the mandate operator is someone outside the immediate family authority.

16 **A power of attorney can become invalid if the principal can no longer oversee the agent or is declared incapacitated by a court.**

Unlike a protection mandate, an ordinary POA is tied to the principal's continuing capacity to supervise.

17 **A protection mandate takes effect only after the homologation process.**

This court-linked activation step distinguishes it from a power of attorney, which the principal can activate directly.

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18 **A protection mandate can be revoked only by court order.**

This makes it far less flexible to end than a power of attorney, which the principal can terminate at any time.

19 **Mandate vs power of attorney is a recurring topic in the Legal and Regulatory Aspects of Banking paper for JAIIB.**

Objective questions commonly test definitions, stamping rules, signatories, and the special-versus-general distinction.

20 **A mandate can extend to protection of the person, not just property, unlike a power of attorney.**

A power of attorney is limited to property and financial matters, while a protection mandate can also cover personal care.

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