



BUSINESS AND MARKET CONDUCT MODULE

Consultation



MODULE	BC:	Business and Market Conduct
CHAPTER	BC-4:	Customer Account Services and Charges

BC-4.19 Dormant Accounts and Unclaimed Balances

BC-4.19.1 This section sets out the requirements relating to dormant accounts which represents customer accounts including current, call, savings, fixed or time deposits which turn dormant due to inactivity or no claim or renewal request being made and unclaimed balances relating to various negotiable instruments such as manager cheques, amounts remaining unpaid to customers relating to their investments or amounts remaining unclaimed for other reasons such as cash not dispensed from ATMs etc.

BC-4.19.2 Conventional retail bank licensees must establish policies and procedures to deal with dormant accounts and unclaimed balances which must include measures to contact the customer concerned, activation of the accounts where appropriate, return of the moneys to the customer and control measures to prevent frauds and misuse of such accounts. The policies must be approved by the Board while the procedures must be approved by senior management.

Dormant Accounts Treatment

BC-4.19.3 Conventional retail bank licensees must treat customer accounts as dormant accounts in the following cases:

- (a) Current, call and saving accounts, where there have been no transactions by the accountholder/s or customer due diligence updates for a period of twelve months; or
- (b) Fixed and time deposit accounts where there has been no claim or renewal request or no customer due diligence update for a period of three months from the maturity date; or
- (c) For all other customer account balances, a period of 12 months of inactivity, i.e. no transactions originated by the customer or no customer due diligence update.



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BC-4.19.4

Conventional retail bank licensees must ensure that no withdrawal or transfer is permitted from dormant accounts unless the activation procedures set out in this section are complied with.

BC-4.19.5

Conventional retail bank licensees must comply with the following additional requirements in transactions relating to dormant accounts:

- (a) Allow electronic transfers from third parties to the account;
- (b) Accrue interest in respect of interest-bearing accounts at the prevailing rates depending on the terms of the contract between the licensee and the customer;
- (c) Ensure no fees or expenses are charged to the account other than those permitted by CBB, provided, however, that no fee is charged when the dormant account balance become zero, as a result of fees and charges by the licensee, and that no fee is charged on a retrospective basis when such balance becomes positive;
- (d) Ensure that the dormant account is closed within six months from the date that the account balance becomes zero (see (c) above) following which, a closure notification is sent to the customer by mail, e-mail or other registered communication channel. A provision with regards to the treatment of such zero balance accounts must be included in the contract between the licensee and the customer;
- (e) Make attempts to periodically contact the customer through different communication means and such attempts must be documented;
- (f) Ensure that the movements in dormant accounts are monitored to ensure that such accounts are not being used for money laundering or fraudulent purposes by internal or external parties; and
- (g) Licensees must ensure that any movement in dormant accounts is subject to dual controls.



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Activation of Dormant Accounts

BC-4.19.6

To activate a dormant account, conventional retail bank licensees must adhere to the following:

- (a) The accountholder must provide the licensee with a written or electronic request to activate the account stating the reasons for dormancy of the account;
- (b) The accountholder must submit relevant updated customer due diligence (KYC) documents to be verified by the licensee as per the customer due diligence requirements included in Module FC;
- (c) Activation of the account must be through dual authority checks involving authorised signatories of the licensee; and
- (d) In case of a joint account, the request for activation of the dormant account must be signed by all the joint accountholders unless a valid power of attorney is given to one of the accountholders, or the agreement with the licensee that governs the joint account permits activation of the account by only one of the joint accountholders.

BC-4.19.7

In case of requests for activation of a dormant account through electronic channels using digital signature, the conventional retail bank licensee must check the authenticity of the request and related information, for example, through telephone or video calls or other measures to satisfy itself about the authenticity.



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Unclaimed Balances

BC-4.19.8

Conventional retail bank licensees must treat the following balances that remain unpaid due to operational or other reasons as unclaimed balances:

- (a) Unclaimed balances relating to manager cheques, demand drafts, or cashier cheques which have not been presented /claimed during their validity periods;
- (b) Positive credit card balances relating to credit cards not used for a period of 1 year or more;
- (c) Unclaimed cash due to failed ATM/POS or electronic transactions for a period of 1 month or more;
- (d) Dividends that remained unpaid by non-listed conventional retail bank licensees for a period of 1 year or more; and
- (e) Undistributed profits and accrued profit/interest in respect of investments for a period of 1 year or more.

BC-4.19.11

Conventional retail bank licensees must make attempts to periodically contact the relevant customers or the rightful parties to provide the customer with the unclaimed balances through different communication means. The licensee must maintain documentary evidence of such attempts.



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Reporting

BC-4.19.12 Conventional retail bank licensees must report the particulars of dormant accounts and unclaimed balances in the relevant section of the Prudential Information Return ('Form PIR').

Prohibition of Transfer of Balances

BC-4.19.13 Conventional retail bank licensees must not transfer any of the balances in dormant accounts or unclaimed balances to their income statements.