

THE



LIBERIA

OFFICIAL

**GAZETTE
PUBLISHED BY AUTHORITY**

VOL. III

Tuesday, December 23, 2014

NO. 59

EXTRAORDINARY

The Government of the Republic of Liberia announces that the Central Bank of Liberia (CBL), pursuant to its mandate under the Central Bank of Liberia Act of 1999 and its authority under the Financial Institutions Act of 1999, and specifically consistent with Section 55 of the said Central Bank of Liberia Act of 1999 and Section 39 of the Financial Institutions Act of 1999, has issued on December 23, 2014, its Regulations No. CBL/RSD/008/2014 revising Regulation No. CBL/SD/08/2000 herein under:

**CONCERNING
AMENDED REGULATIONS ON DORMANT ACCOUNTS &
ABANDONED PROPERTY**

BY ORDER OF THE PRESIDENT

AUGUSTINE KPEHE NGAFUAN

MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS

MONROVIA, LIBERIA

December 23, 2014

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PART ONE- PRELIMINARY

I. INTRODUCTION

The Central Bank of Liberia (CBL), pursuant to its authority under Section 5 (1) of the Central Bank of Liberia Act of 1999 and Sections 39(1), 68, 69 and 70 of the New Financial Institutions Act (FIA) of 1999, hereby issues these Regulations.

II. TITLE

These Regulations shall be cited as “**Amended Regulation on Dormant Accounts & Abandoned Property**” Regulation No. CBL/RSD/008/2014, replacing Regulation No CBL/SD/08/2000.

III. PURPOSE

These regulations outline the minimum requirements for the identification, classification and administration of inactive, dormant accounts balances and the transfer of abandoned properties held by financial institutions to the CBL.

Financial institutions may develop their own internal policies and procedures to ensure effective compliance with these regulations.

IV. APPLICABILITY

Unless a specific exemption is granted by the CBL, the requirements contained in these Regulations shall apply to every licensed financial institution that take deposits, hold trust accounts and/or take properties from the public for custody.

V. DEFINITIONS

- i) **Inactive Account** refers to a demand or savings deposit which has experienced no customer or depositor originated activity for a consecutive period of six (6) months, or in the case of fixed term deposit which has experienced no customer or depositor initiated activity for a consecutive period of six months after the expiration of the fixed term.
- ii) **Dormant Account** refers to any deposit (demand, savings, matured time or other deposits) or official checks which have

experienced no customer or depositor activity for a consecutive period exceeding twelve (12) months.

iii) **Abandoned property (see Section 3 below).**

iv) **Customer Initiated Activity** means any transaction undertaken by a financial institution's customer in respect of a deposit account or any request for a statement or written acknowledgement received by the financial institution from such a customer. For the purpose of these regulations, the debiting of a fee or crediting of interest to a deposit account of a customer shall not be deemed to be customer-initiated activities.

v) **Transaction** means any customer-initiated deposit, withdrawal, exchange or transfer of funds, in whatever currency, whether in cash, by cheque, payment order or other instrument or by electronic or other non-physical means.

PART TWO - INACTIVE AND DORMANT ACCOUNTS

I. INACTIVE ACCOUNTS

1.0 Administration of Inactive Accounts

Financial institutions shall inform their customers, at the time of opening a deposit account and at intervals thereafter as necessary, of the implications of inactivity or dormancy of their deposit accounts, which reflected the deposit account contract with their customers.

(i) Where a customer has not undertaken any customer-initiated activity on his or her deposit account for at least six (6) consecutive months, the financial institution shall flag it in its database and may take reasonable steps to notify the said customer about the status of their accounts.

(ii) After the six month period, the financial institution shall not impose any further charges and/or fees to accounts classified as "inactive" accounts where the account has a zero balance.

II. DORMANT ACCOUNTS

2.0 Procedures for classification of Dormant Accounts

- (a) Before a deposit account is classified as dormant account, a financial institution shall ensure that the customer has been notified about the status and condition of his/her account. The financial institution's efforts to contact the customer should be properly documented.
- (b) Financial institutions shall be required to generate and review the lists of inactive and dormant accounts every ninety (90) days, that is, on a quarterly basis.
- (c) Financial institutions shall be required to segregate inactive and dormant accounts from active accounts and thereafter place the inactive and dormant accounts in separate files called Inactive and **Dormant Account files**. An account shall remain classified as inactive account up to 6 months after which it shall be classified as dormant account.
- (d) Financial institutions shall create a control account in the general ledger for inactive and dormant accounts for the purpose of quarterly reconciliation. Inactive and Dormant accounts shall be part of the bank's deposit liabilities, and as such, account for in the reserve requirement account of the financial institutions at the CBL.
- (e) Financial institutions shall segregate the dormant account file including signature cards and other related documents from active files. Signature cards shall be clearly stamped "**dormant account**", dated, and placed under control.
- (f) There shall be proper delegation of authority over transactions relating to dormant accounts. Transactions involving these accounts shall not be allowed without referring same to the appropriate and authorized senior level of the bank.
- (g) The financial institution may charge a reasonable fee that should bear direct relationship to the cost of servicing the account provided the account is below minimum balance. However, when the balance of the account is zero, the financial institution shall suspend further charges and/or fees to the account.

2.1 Management of Dormant Accounts

- a) Handling of the accounts and related documents shall be kept under dual control.

- (b) Returned mails and other correspondences relating to the accounts shall be handled by a designated senior official of the financial institution.
- (c) There shall be regular internal audit checks on dormant accounts, at least quarterly.
- (d) Any debit or credit activity on a dormant account should be closely monitored and escalated to the appropriate designated senior official for authorization prior to processing a transaction or prior to reclassifying the dormant account into an active account. At a subsequent review, activity and change-in-status system exception reports should be generated to inform senior management about activity on such dormant account. to monitor activity, including accounts entering and exiting inactive status.

2.2 Procedures for Reclassification

For an account to be reactivated from dormant to active, the following conditions shall be met: -

- (a) Formal application for the reactivation of the account by the account holder.
- (b) Verification and authentication of the signature and identity of the account holders as well as the account balance by the officers responsible for dormant accounts.
- (c) Approval of reactivation by at least two (2) designated senior officers of the bank.
- (d) Computation and crediting of accrued interest due on the account.
- (e) Reclassification of account from dormant to active as well as transfer of files to banking operations.
- (f) The bank may charge a reasonable fee for reactivation of the account.

2.3 Reporting Requirements

Every financial institution shall submit to the Central Bank of Liberia a full report of its accounts classified as dormant in accordance with

theseregulations, 15 days after every six (6) months. A copy of the reporting format is attached as **Appendix 1**.

PART THREE -ABANDONED PROPERTIES

3.1 Description of Abandoned Properties

- (a) Pursuant to Sections 68-70 of the new FIA of 1999, the following items held or owned by a financial institution for a period of fifteen (15) years, unless subject to 3.1 (b) below are presumed to be abandoned:
 - (i) Any general deposit (demand, savings or matured time deposit) made in Liberia with a financial institution together with any interest or dividend, excluding any lawful charges.
 - (ii) Any funds paid in Liberia toward the purchase of shares or other interests in a licensed financial institution, together with interest or dividend, excluding any lawful charges.
 - (iii) Any sum payable on a check certified in Liberia or on written instruments issued in Liberia on which a licensed financial institution is directly liable.
 - (iv) Any contents of a safe deposit box upon which the lease or rented period has expired and concerning which notice of the financial institution's intent to deliver said contents into the custody of the Central Bank has been sent by registered letter to the last known address of the lessee and to which the lessee has failed to respond within one year.
 - (v) Unclaimed funds remaining after liquidation process in the custody of the Central Bank of Liberia.

3.2 The items enumerated in Section 3.1 (a) through (e) shall not be presumed to be abandoned if the owner has, within fifteen years of the date of the last deposit, payment of funds, or issuance of an instrument, as the case may be:

- (a) increased or decreased the amount of the deposit or funds or presented the passbook or other records for the

- crediting of interests or dividends in respect of items (a) or (b) above;
- (b) corresponded in writing with the licensed financial institution concerning the items; and
- (c) otherwise indicated an interest in the items as evidence by a memorandum written by the licensed financial institution concerning the items.

3.2 Handling of Abandoned Property

- (a) Prior to reporting abandoned property to the Central Bank, financial institutions should make reasonable efforts to contact owners of abandoned property, by regular mail sent to the last known address of the owner.
- (b) Financial institutions may deduct an annual charge for the administration of such accounts, provided that the customer is informed of the charge/fee at the beginning of the relationship; and subsequent amendments thereto.

3.3 Reporting to the Central Bank of Liberia

Licensed financial institution holding abandoned property shall submit to the Central Bank of Liberia a full report of such holdings within fifteen (15) days after each financial year in accordance with Section 69 (1) of the FIA. Financial institutions not holding abandoned property shall formally communicate this to the Central Bank within the reporting period.

The report should give the following details:

- (i) The name and the last known address of customer;
- (ii) The type of the abandoned property, and the value and account numbers; and
- (iii) The name of beneficiary (ies) of the account, where applicable.

Information should be recorded in alphabetical order. The date on which the property is reported to the Central Bank should appear on each page. The information should be reported in electronic format and a hard copy forwarded thereafter to the Regulation & Supervision Department. Copy of the reporting format is attached as **Appendix 2**.

3.4 Delivery of Abandoned Property to the Central Bank

A licensed financial institution holding an abandoned property shall, in accordance with section 69 (1) of the New FIA of 1999, pay or deliver to the Central Bank, within 30 days of the date of submission of the abandoned property report referred to in section 3.4 above, the full value in the respective currencies of all such holdings, as spelled out in **Appendix 2 attached**.

The financial institution's internal auditor and Managing Director shall verify and sign off on all abandoned property submitted to the Central Bank. Upon paying or delivering abandoned property into the custody of the Central Bank, the financial institution shall be relieved of all liability to the extent of the value of the property and any associated claims in respect of the property.

Pursuant to Section 69 (2) of the new FIA, the Central Bank shall follow the requirements of the Civil Procedure Law in respect of the disposal of all abandoned property paid or delivered to it.

3.6 Drilling of Safe Deposit Boxes

- Drilling of safe deposit boxes to retrieve abandoned property must be executed in the presence of a representative from the Central Bank, which should be given at least 7 days' notice of the intent to drill.
- Contents of boxes must be recorded and verified by officers from the banks and the Central Bank.
- Contents of boxes must be deposited with the Central Bank no later than the end of the following working day.

Banks are reminded that **no** deductions should be made from funds retrieved from safety deposit boxes which constitute abandoned property.

3.7 Publication of Abandoned Property

Upon delivery of the holdings of abandoned property and the value thereof to the Central Bank, in keeping with section 3.5 above, the financial institution shall issue a public service announcement to this effect, and publish the list of its abandoned properties on its website for at least one week. The address of the website and contact officer for

further inquiries and clarification should be stated in the public service announcement. The public service announcement should include the following details:

- (i) The name of the account holder
- (ii) The last known address.

PART FOUR– REMEDIAL MEASURES AND ADMINISTRATIVE SANCTIONS

4.1 In accordance with Section 70 of the new FIA, any financial institution which willfully fails to comply with the provisions and requirements of these regulations is guilty of an offense and any member of its board or officer responsible for such non-compliance shall be liable to a fine not less than L\$200,000, or to imprisonment for a term not exceeding two years, or both fine and imprisonment.

5.0 Effective Date

These regulations take effect upon publication in the Official Gazette, and shall remain in force until otherwise advised by the Central Bank of Liberia.

Issued this 23rd day of December, 2014 in the City of Monrovia.

BY ORDER OF THE PRESIDENT
AUGUSTINE NGAFUAN
MINISTER OF FOREIGN AFFAIRS
MINISTRY OF FOREIGN AFFAIRS

MONROVIA, LIBERIA

December 23, 2014

APPENDIX I

DORMANT ACCOUNTS

Reporting Form

Bank _____

Date _____

S/No.	Depositor		Type of Account	Account #	Balance		Date Classified	Remarks
	Name	Address			LD	USD		

Prepared by: _____
Name

Signature _____ Date: _____

Approved by: _____
Name

Signature: _____ Date: _____

APPENDIX 2

ABANDONED PROPERTY

Reporting Form

NAME OF BANK: _____

S/No.	Account #	Owner	Description	Qty.	Last Known Address	Date of last Correspondence /transaction /acknowledgement	VALUE	
							US\$	L\$
TOTAL								

For Central Bank Use Only

This certifies that the above named financial institution has paid or delivered to the Central Bank of Liberia the above listed abandoned property (ies) and same have been verified as true and correct.

Verified By: _____ AttestedBy: _____
Name Name

Regulation &Supervision Department Banking Department

Witnesses: _____

