Chapter Five

Dormant Deposits and Unclaimed Accounts

Dealing with Dormant Deposits and Unclaimed Accounts

All banks and financial institutions operating in the State of Qatar have to work in accordance with the following, relating to each area:

First: General Instructions

1- The authority responsible to receive dormant deposits and unclaimed accounts, is the Estate and Minor Affairs Department in Ministry of Endowments and Islamic Affairs instead of Shariaa courts.

2- The unclaimed balances transferred to the account of the "General Authority for Minors Affairs" shall be attached with list of names of accounts' holders and all documents of identity and all other available information relating to them.

3- The balances in these accounts shall be transferred after making adjustment between the account and any debit accounts or any possible commitments of their owners to the bank, to account no. (207020) at Qatar Islamic Bank under the name of the "General Authority for Minors Affairs".

4- The list of names of unclaimed balance owners and those transferred to the account previously mentioned, shall be sent to QCB, along with the balance due to each of them and his personal number.

This regulation is effective from March 2005.

Second: How to Deal with the Dormant Deposits and Unclaimed Accounts:

1- Dormant Deposits Accounts:

"Different types of customers' deposit accounts at banks without actual drawing or depositing activity, and whose depositor could not be traceable through the account movements or other transactions with the bank, after making use of all available contacts with him".

- Customers' deposits accounts are considered dormant if the definition mentioned-above are applied after the passage of the following periods:
  - A Gregorian year for current accounts.
  - Two Gregorian years for saving accounts.
  - Five Gregorian years for time deposit accounts.
- The required procedures:

All banks have to adopt the following measures regarding dormant deposits accounts:

1/1 All types of dormant deposit accounts shall be directly supervised by an authorized director, without permitting any withdrawal or depositing transactions on these accounts such as those of active accounts, except only after a prior approval of the said director.

1/2 Accounts' statements and periodical notifications should be sent frequently to the deposit holders. They must be contacted with or inquired about.

1/3 Continuous calculation for the account interests and profits as agreed upon, or according to the prevailing market prices, have to be made.

1/4 After lapse of ten years since the last transaction done on the customer's dormant accounts and if there is no possibility to reach him during this period, the bank will post the balances of the customer's different dormant deposits accounts to a suspended account called [unclaimed balances].

1/5 Before posting the dormant deposits accounts to the "unclaimed balances" account, the bank should review the clearing operation made between them and any debit accounts or obligations on owners at the bank, as those accounts have to be settled before posting them to the unclaimed balances.

1/6 Accrued unclaimed balances at the bank must be converted to the "General Authority for Minors Affairs" every three month, enclosed with lists of the owners names, all the available information and any personal identification papers at the bank.

- Collecting commission on dormant deposits accounts:

  Banks may collect commission for balances less than 500 Qatari Riyal in demand deposit account and dormant saving deposits according to the definition mentioned in page no. (345) item no. (1) in second item. The commission collected may not exceed QR 10 (Ten Qatari Riyal) monthly.

2- Unclaimed Banking Cheques and Transfers

"Banking cheques which were drawn on banks outside Qatar and were not claimed during a Gregorian year, or the amounts of the banking transfers that are issued and rendered to the bank or the exchange house or were not discounted during a period of one Gregorian year".

- The required procedures:

  All banks and exchange houses must undertake the following procedures regarding the old outstanding banking cheques and transfers:

  2/1 Render the value of the unclaimed cheques/ transfers to the issuing customer whether by posting in his account or by contacting and notifying him, after taking the necessary banking measures that prove that such amounts were not disbursed and cannot be deducted in future from the bank/ the exchange house accounts at the correspondents abroad.

  2/2 In case of having no account for the customer who issued the old outstanding cheques/transfers, and if there is impossibility to reach or contact him, the amounts of those old outstanding cheques and transfers would be posted to the (unclaimed balances), after lapse of five Gregorian years from the issuance date, and would be subject to direct supervision of an authorized director.

  2/3 If another five years passed on the amounts of old outstanding cheques and transfers, that are posted in the "unclaimed balances" account referred to in paragraph no. (2/2) above, the bank/ exchange house would publish an announcement in two local newspapers, one in English, giving the amounts', owners names, and offering them one month for inquiring after which the bank/ exchange would transfer those amounts to the "General Authority for Minors Affairs" enclosing with list of their owners' names, and all other available information and their personal identification papers at the bank.

3- Unpaid Shareholders' Profits

"The shares earnings that were decided to be allocated to shareholders by the banks and financial institutions, stated in these instructions, and were disbursed but not received by their owners ".

The required procedures:

Concerned banks and financial institutions must adopt the following procedures regarding the unpaid shareholders' profits:

3/1 Contacting shareholders who have shares earnings, in case the bank knows them, in order to encourage them to receive their profits.

3/2 After lapse of 5 years from announcing the shareholders profits and that are not received by their owners, the bank or the financial institution shall

publish an announcement in two local newspapers, one in English, giving the owners names of the unpaid earnings without mentioning the amounts.

3/3 After another 5 years, in addition to those mentioned above in paragraph no. (3/2), the bank would announce again in the newspapers as mentioned above, then the unpaid shareholders profits would be transferred, after one month from the date of announcement, to the "General Authority for Minors Affairs" enclosing a list of the owners names and all available information about them.

4- Customers' Accrued and Unpaid Investments

"The amounts and profits due to customers regarding their investments in mutual funds, portfolios and different types of investment pools, that are managed or maintained by the bank and investment companies on behalf of the customers and their investment period have ended, without being paid to the owners as they did not claim from the bank or the investment company, or because of having no accounts of those owners to add the mentioned amounts or due impossibility of reaching or finding any information relating to them after literally reporting and notifying them within that period".

- The required procedures:

  Banks and investment companies must adopt the following measures regarding the unpaid amounts due on customers' investments:

  4/1 Transferring those amounts to the (unclaimed balances) account after five years after their due date and using all contacts for reaching during the period.

  4/2 After lapse of another 5 years on keeping those amounts in the "unclaimed balances" account, according to what is mentioned above in paragraph (4/1), they would be referred to the "General Authority for Minors Affairs" within one month, enclosing with list of their owners' names and all the available information and personal identification relating to them at the bank.

5- Other Funds not remitted to Owners

Any amounts or other accruals from banks and financial institutions stated in this instructions, with the exception of the aforementioned in the banks from (1)

to (4) and not paid to the owners because they could not be reached within a period of ten Gregorian years.

- The required procedures:

  Announcing those amounts or accruals, through advertisements in two local newspapers, one of them in English, and after lapse of a month from the announcement date they would be referred to the "General Authority for Minors Affairs" enclosing with list of the owners' names and all available information or personal identification documents.

6- Contents of Unclaimed Safe Boxes

The contents of the safe which the bank rents to its customers and where no drawing or depositing transactions have been conducted within two Gregorian years; Contracts for said safe have not been renewed and owners could not been reached whether by direct contact or correspondence, or detecting their accounts at the bank.

- The required procedures:

  All banks should take the following procedures concerning the safe contents that are not claimed for:

  6/1 Banks should publish the names of the safe owners in two local newspapers, one of them in English, and advise to establish prompt contact with the bank within three months to inquire about the rented safe.

  6/2 After the three month period specified in paragraph (6/1) ended, the bank shall open those safes whose owners did not respond to the advertisement, and check the contents in an official counting session attended by the person assigned by competent Court.

  6/3 The safe boxes contents would be transferred to the Estate and Minor Affairs authority of the "General Authority for Minors Affairs", enclosing with lists of the owners names, their available information and their personal identification papers at the bank, and copies relating to the counting session mentioned in paragraph (6/2).

7- [215]General Rules

7/1 Item (Second) in page no. (345) is effective as of (2/2003) and shall be abided by banks and financial institutions stated in the instructions each according to their jurisdiction. Concerned banks and financial institutions must review and classify all the customers' deposits accounts and the other amounts and accruals held by them mentioned in items from (1) to (6) herein. Also, they should follow the procedures, stated herein in that regard, within the time periods specified for each item, and notify QCB with the results within three months from specified date.

7/2 Concerned banks and financial institutions must maintain copies of documents and records concerning all the amounts and accruals referred to the "General Authority for Minors Affairs", according to items from (1) to (6), according to the legal period required for records keeping.

7/3 Concerned banks and financial institutions shall consider adding articles in the contracts, agreements and account opening forms signed by the customers. Also, they shall mention in the account statements sent to customers, the periods and procedures of blocking the accounts and the other amounts mentioned herein and converting them to the "General Authority for Minors Affairs".

[215] Refer to Article no. (145) of Law No. (13) of the year 2102 on QCB and the regulation of financial institutions