



**GUIDELINES NO 2, 2018 FOR THE MANAGEMENT OF
DORMANT ACCOUNTS AND OTHER UNCLAIMED FUNDS BY
COMMERCIAL BANKS AND OTHER FINANCIAL
INSTITUTIONS IN SOUTH SUDAN**

**SUPERVISION DEPARTMENT
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II. INTRODUCTION

There is a lack of clear guidelines for the management of Dormant Accounts, and other unclaimed funds, by banks and other financial institutions in South Sudan. This has apparently resulted in the differential treatment of dormant account balances by deposit taking financial institutions; thus, raising concerns among bank account holders, regulators and other stakeholders. Representations received by the BSS from stakeholders on the subject highlighted the need for the Bank to develop guidelines for the management of dormant and inactive accounts, as well as other unclaimed funds in South Sudan for the benefit of the banking system. Thus there is a need for Guidelines for the management of Dormant Accounts and other unclaimed funds of commercial banks and other financial institutions in South Sudan.

The essence of the guidelines, therefore, is to set operational standards for commercial banks in line with best practices and, to reinforce the rights of depositors and/or customers so as to curb possible abuses in the operation of dormant and inactive accounts.

III. OBJECTIVES

The objectives of the guidelines, among others, are:

- to standardize the management of dormant accounts and other unclaimed funds by banks and other financial institutions in South Sudan:
- to conform with international best practice:
- to eliminate the possibility of commercial banks converting dormant accounts' balances to income; and
- to strengthen risk management and internal control processes.

IV. DEFINITION

The following is a list of definitions that the guidelines adopt;

- 1- **“Bank” (BSS)** means the Bank of South Sudan;
- 2-**“bank”** means a legal person engaging in the business of receiving money deposits or other repayable funds from the public and making credits for own account, and may be:-
 - a) a commercial bank;
 - b) a saving bank;
 - c) a mortgage bank; or



- d) a merchant bank, and any other specialized banks.
- 2- **“Dormant Account”**: A bank account shall be classified as dormant if there has been no customer or depositor-initiated transaction in it for a period of five (5) years after the customer or depositor last initiated a transaction. When an account becomes dormant the bank shall institute controls consistent with its precautionary policies, including surveillance procedures and second level authorization. To make such account active, the customer is to provide satisfactory evidence of account ownership, means of identification and present place of residence.
 - 3- **“Due Diligence”** Means ensuring the identity of the payee/customer based on the latest Know Your Customer (KYC) documents (branches shall obtain latest address proof, ID proof, passport size photograph and profile), verification of the signature, genuineness of the transaction, and so on.
 - 4- **“Inactive Account”**: An account shall become inactive if there has been no customer-or depositor-initiated transaction for a period of six months after the customer or depositor last initiated a transaction. During the inactive period, a bank shall elevate controls on an account in line with its precautionary policies, which may include surveillance procedures and second level authorization.
 - 5- **“Unclaimed funds”** shall be categorized as:
 - a. Proceeds of stale local and/or foreign currency drafts not yet presented for payment by beneficiaries.
 - b. Funds received from a correspondent bank without sufficient details as to the rightful beneficiary and/or a recall of funds made to the remitting bank to which the bank account had not been debited; and
 - c. A judgment debt for which the judgment creditor has not claimed the amount of judgment award.

V. **TREATMENT OF DORMANT ACCOUNT BALANCES**

In the light of the above, the following standards/guidelines shall apply to the operation of dormant accounts in South Sudan:-



