Syrian Arab Republic

Monetary and Credit Council

الجمهورية العربية السورية

مجلس النقد والتسليف

NO. 1418 / MC
Dated 24 July, 2016

The Monetary and Credit Council,
Based on the provisions of the Central Bank of Syria Law and the Basic Monetary System No. /23/ of 2002 and its amendments,
Letter of the Directorate of Banking Supervision No. (2176/167) dated 16/05/2016, and upon considerations in its session held on 24/07/2016,
Decides the following:

Article 1: Within the framework of applying the provisions of the decision, the following terms shall mean the following:
Banks: public and private banks operating and subject to the supervision of the Central Bank of Syria.
Financial institutions: Social banking financial institutions and the creativity bank subject to the supervision of the Central Bank of Syria.

Article 2: Banks / financial institutions shall be obliged to comply with the provisions of this decision in order to manage the risks associated with their frozen accounts and to ensure proper control of this type of account.

Article 3:

A. The account shall be considered frozen in the following cases:
   1. After a year has passed since the date of the last movement on the current and demand accounts.
   2. After the passage of two years from the date of the last movement on savings accounts.
   3. No movement on the forward accounts within one year from the expiration date of the contract term of the forward account.

B. None of the movements mentioned hereunder shall make the accounts active (mobile):
   1. Interest / profit and commission restrictions.
   2. All regular [1] deposits in the account.
   3. Withholding taxes and stamps applied to the account.
   4. Automated Coverage Restrictions.
   5. Inverse restrictions on the account.

[1] Periodic transfers under fixed orders, account prizes, periodic stock dividends and the value of shares returned after the reallocation process, invoice entry movements under a fixed third-party authorization.

6. Payment of checks provided that they are cleared by an official determined by the senior management.

C. Any movement on the account (before or after) classifying it as a frozen account shall not be considered a reason to make it an active account except if the customer personally - or the presence of customer's agent (under a duly valid mandate) or the authorized signatory (the account holder is a legal person) - inquires, activates, withdraws, deposits or transfers from the account.

Article 4: When the account is considered frozen, the following shall be observed:

A. No movement shall be made on the frozen account - except for the movements mentioned in Paragraph (B) of Article / 3 / above - unless they are approved by the bank operations manager / institution.
B. The bank / financial institution shall continue to calculate interest / profits on frozen accounts.
C. It shall not be permitted to issue check books for frozen accounts starting from considering the account as frozen until the account is reactivated, and the ATM and payment and credit cards belonging to the account shall be suspended.
D. The frozen account files shall be separated from the active account files, and shall be kept in a separate location, and controls shall be established to prevent access to any details related to the frozen accounts.
E. Periodic reports and statements of frozen accounts shall be issued from Information Systems Center to be sent to the concerned branch and the department responsible for following up branches' operations for follow-up and referring to it when needed.
F. The bank / financial institution shall continue to address customers with frozen accounts with various means of communication available to ask them why their accounts were not activated.
G. The frozen accounts shall be monitored periodically, and the designated official from the top management, such as the branch manager (for the branches) or the operations manager (for the head office / General Administration), shall take the appropriate decision to amend the account description from frozen to active taking into account the following:

   1. The account shall be activated only in the personal presence of the customer to the bank/financial institution or the presence of the customer's agent (under a duly valid mandate) or the signatory (the account holder is a legal person) and the customer's signature on a declaration stating the validity of the balance by the date.
   2. Special forms shall be used to reactivate the account and acknowledge the balance in two copies, one of which is kept on the customer's file and the other in the head office / general administration at the department responsible for following up branches' operations.
   3. frozen bank accounts shall be locked before a debit to current accounts and savings appears.

Article 5: General Provisions

A. The bank / financial institution shall inform the customer of its intention to freeze the account two months before the date of the freeze, and the account opening contract shall include the means by which the customer is informed of the freezing decision.
B. The account shall not be classified as frozen if the account holder has another [2] account (creditor or debtor) active with the bank / financial institution, in which case the bank / financial institution shall issue a reminder to the customer of his other account.
C. The bank / financial institution may collect an annual commission on the frozen accounts in proportion to the balance of each account and the cost of managing and securing each account, and in a manner that does not conflict with the instructions in force regarding the commissions.
D. The bank / financial institution shall add paragraphs to the contracts, agreements, and forms signed with customers, as well as the statements sent to them, including the conditions and procedures for freezing deposit accounts, and the need to ensure that they are read and absorbed by the customer before creating or renewing the account contract with him.
E. The bank / financial institution shall maintain a special record for each of the following:
    1. Frozen accounts.
    2. Frozen accounts that were transferred to active accounts during the year.
    3. Frozen accounts that were locked.
    4. Commissions levied on frozen accounts.

Article 6: The criteria mentioned in the decision shall be the minimum that must be adhered to with regard to addressing frozen accounts.

Article 7: The bank / financial institution shall be granted a maximum period of six months from the effective date of the decision to reconcile its status with the classification of its depositors' accounts existing on this date.

Article 8: This decision shall be published in the Official Gazette, and shall be considered effective from the date of its publication.

Damascus on 24/07/2016

Secretary of the Monetary and Credit Council

Layla Tannous

[2]Not a joint account

Chairman of the Monetary and Credit Council
Dr. Duraid Dergham

Certified by the Prime Minister

Engineer Imad Khamis