

Rwanda

Regulation of the National Bank of Rwanda determining Modalities for Management of Dormant and Closed Accounts Regulation 2310-19 of 2018

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Regulation of the National Bank of Rwanda determining Modalities for Management of Dormant and Closed Accounts

Regulation 2310-19 of 2018

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Pursuant to [Law No 48/2017](#) of 23/09/2017 governing the National Bank of Rwanda, especially in its Articles 6, 8, 9 and 10;

Pursuant to [Law No 47/2017](#) of 23 /09/2017 governing the organisation of banking, especially in its article 113;

Pursuant to Law N^o 40/2008 of 26/08/2008 establishing the organization of Micro Finance activities, especially in its articles 5 and 6;

Pursuant to Law N^o 03/2010 of 26/02/2010 concerning payment system as modified to date, especially in articles 4, 7 and 8;

Pursuant to [Law No 39/2015](#) of 22/08/2015 relating to the management of abandoned property, especially in articles 5 and 18;

Having reviewed the regulation N^o 07/2016 of 01/12/2016 determining modalities for management of inactive and dormant account

The National Bank of Rwanda hereinafter referred to as “ Central Bank”, **decrees:**

Chapter One

General provisions

Article One – Purpose

This Regulation defines the minimum requirements for identification and management of dormant and closed accounts.

Article 2 – Scope of application

This regulation shall apply to accounts held by deposit taking institutions and e-money issuers.

This Regulation shall not apply to the following categories of accounts:

- 1° Savings accounts, provided that such accounts are not hybrid accounts which have features of both current and savings accounts;
- 2° Government institutions account's;
- 3° Account that is subject of litigation and/or fraud and frozen.

Article 3 – Definitions

In this regulation, the following terms shall mean:

- 1° **Fees and charges on account:** include but not limited to a monthly maintenance or management fees and any fee or charges on a client account for any transaction or service;
- 2° **Deposit taking institution:** a bank or a microfinance institution authorized to collect deposits from the public;
- 3° **Account:** include bank account, microfinance account and e-money account;
- 4° **Dormant account:** account in which no customer or depositor-initiated transaction has occurred for a period of six (6) months counted from the date of last transaction;
- 5° **Closed account:** account in which no customer or depositor-initiated transaction has occurred for a period of One (1) year counted from the date of such last transaction;
- 6° **Government institutions:** public institutions, local government administration entities, ministries and any other organisation governed and/or funded by Government of Rwanda;
- 7° **E-money Issuer:** a payment service provider authorized to issue e-money under the Regulations governing payment service providers;
- 8° **Customer or depositor-initiated transaction:** includes cash deposits, withdrawals and transfers to or from the account. For the purpose of this regulation, the debiting of a fee or the crediting of interest to a deposit account in accordance with any agreement made with the customer shall not be deemed to be a customer or depositor-initiated transaction.
- 9° **Unclaimed funds:** funds shall be classified as unclaimed if the same are not transacted (other than interest credits and service charge debits) for 5 years from the date of last transaction. Funds on term deposit account shall be classified as unclaimed if the term deposit is not renewed or funds are not withdrawn after 5 years from the date of maturity, unless a deposit taking institution has been given a mandate to roll-over the term deposit contract.

Chapter II

Identification of dormant and closed accounts

Article 4 – Obligation of identification of dormant and closed accounts

A deposit taking institution and an e-money issuer shall put in place a policy on management of dormant and closed accounts including the preventive measures of misuse of balances of such accounts.

A deposit taking institution and an e-money issuer shall also have a system allowing them to identify dormant and closed accounts.

Article 5 – Notification of dormant and closed status of account

Where an account is becoming dormant or closed, a deposit taking institution and an e-money issuer shall inform the account holder (s) that the account is about to be or has already been classified as dormant or closed and require the account holder to reactivate the account.

Chapter III

Management of dormant and closed accounts

Article 6 – Management, suspension, and reactivation of dormant and closed accounts

Where the account holder fails to reactivate the account, it shall be flagged on the client database system as “inactive or dormant” or “closed”

Credit transaction during the dormancy or closing period shall not reactive the dormant or closed account unless the transaction is done by the account holder only. Only the account holder or its mandated person’s debit transaction shall reactive the dormant or the closed account.

The provision of paragraph two of this Article applies to dormant e-money account only within the period of three (3) months from the date of the last transaction in case e-money is issued through mobile network operator platform, otherwise the reactivation will require the customer identification requirements.

After three (3) months provided in paragraph three (3) of this Article, and where the account number was disassociated with the e-money account, the balance shall be put on the specific temporary e-money account.

Article 7 – Limitations on fees and charges on account

A deposit taking institution may only levy fees and charges on an dormant account if and only if the account has sufficient balance to cover the fees and charges.

Without prejudice to the provisions of Paragraph one (1) of this Article, a deposit taking institution and an e-money issuer shall not levy fees and charges on closed accounts or charge any fee or charges for re-activation of an dormant and closed account.

Article 8 – Reporting of dormant and closed accounts

All accounts classified as dormant, and *fermés* shall be properly aged and reported to the Central Bank on quarterly basis.

The report shall be submitted to the Central Bank within ten (10) days of the following quarter in the format prescribed by the Central Bank.

Article 9 – Transfer of unclaimed funds to the Central Bank

Unclaimed funds and balances on account that have been closed for five (5) years shall be transferred to the Central Bank by a deposit taking institution and the e-money issuer, within a period not exceeding thirty (30) days from the end of the five (5) years.

Upon transfer of unclaimed balances, the deposit taking institution or the e-money issuer shall retain all its identifying information of the account holder.

The transfer of the unclaimed balances shall not discharge the deposit taking institution and the e-money issuer from any subsequent liability relating to unclaimed balances that are not handed over to the Central Bank and any other claim that may occur to the customer’s account.

A deposit taking institution and an e-money issuer shall, at least one year before the expiration of the period specified in paragraph one of this Article, notify the owner, to his or her last known address, of its intention to hand over of the said balances to the Central Bank.

Without prejudice to the provisions of this regulation, upon the Court decision in accordance with the law regulating abandoned property, the transfer provided for under paragraph one of this Article may be effected before the expiration of the period of five (5) years.

Article 10 – Management of unclaimed funds

The funds transferred to the Central Bank in accordance with this regulation shall be treated as abandoned property and managed in accordance with the Law relating to the management of abandoned property or in the manner that the Central Bank may agree with relevant authorities.

Chapter IV Pecuniary sanctions and final provisions

Article 11 – Pecuniary sanction

A deposit taking institution and an e-money issuer that have not transferred the unclaimed funds to the Central Bank within the period mentioned in Article nine (9) of this Article shall be liable to a penalty of Fifty Thousand Rwanda Francs (50,000 FRW) per day of delay.

A deposit taking institution and an e-money issuer which fails to submit report to the Central Bank within the period stated in Article eight (8) of this Regulation shall be liable to a penalty of Fifty Thousand Rwanda Francs (50,000 FRW) per day of delay.

Article 12 – Repealing provision

The regulation N° 07/2016 of 01/12/2016 determining modalities for management of inactive and dormant accounts and all prior regulatory provisions inconsistent with this regulation are hereby repealed.

Article 13 – Commencement

This Regulation shall come into force on the date of its publication in the Official *Gazette* of the Republic of Rwanda.