



## Central Bank of Seychelles

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### **CBS approves closure of the Seychelles branch of Habib Bank Limited**

#### **Frequently Asked Question**

##### **1. The closing down process**

➤ **Why is the bank closing down?**

Habib Bank has stated that its decision to close down is due to strategic reorganisation and increased focus on its core markets.

➤ **When will the bank actually close down?**

Habib Bank will officially close its branch in Seychelles by the end of February 2019. However, clients have until December 28, 2018, to ensure that all funds have been withdrawn, loans have been transferred, and any other transactions with the bank has been finalised.

➤ **Will there be an impact on other banks?**

None of the other banks shall be impacted by the closure of Habib Bank.

➤ **What does this mean for other foreign banks operating in Seychelles?  
Should I be worried as a customer?**

As a customer of any of the other foreign banks, or even the locally owned banks, you do not need to worry. The decision to close Habib Bank was a strategic business decision of their Head Office. The decision does not provide any indication with regards to the Seychelles specifically, and thus cannot be used to suggest any similar decisions shall be taken by other foreign banks operating in Seychelles.

## 2. Loans

### ➤ **Should I continue paying my loans with Habib Bank?**

Yes. You have a legal obligation to continue paying the debt, for which the Credit Information System (CIS) captures repayment information. Failure to repay your loan would be recorded on the CIS and this may impact your ability to obtain credit facilities (e.g loans) from other institutions.

### ➤ **What will happen to my loan at Habib Bank?**

Your loan can be transferred to another bank and Habib Bank will contact you accordingly, or if you so desire you can apply for a loan from another bank or the Seychelles Credit Union and then pay off your Habib Bank loan.

### ➤ **I want to clear off my loan with Habib Bank, is it possible? Will there be a fee?**

Yes, it is possible to clear off your loan with Habib Bank and there will not be any early/prepayment fee charged by Habib Bank.

### ➤ **How do I transfer my loan to another bank? Can I transfer to any bank?**

You can apply for a loan from another bank or Seychelles Credit Union and upon receipt of same pay off your Habib Bank loan. When your loan account is closed, it is advisable that you request a statement of account for at least six (6) months for your own record keeping and reconciliation purposes.

### ➤ **Is there a cost associated with transferring my loan?**

There may be costs if you opt to transfer your loan to your bank of choice. These costs will be from the new bank taking on your loan and be dependent on their terms and conditions. Habib Bank shall not be charging any fees or charges for the transfer of your loan nor will you incur a cost if your loan is transferred by Habib Bank to another bank. When your account is closed, it is advisable that you request a statement of account for at least six (6) months for your own record keeping and reconciliation purposes.

### ➤ **Will the terms and conditions remain the same?**

The terms and conditions vary across banks and clients are advised to negotiate with their new banks. This includes the interest rate, repayment period, etc. on the loan, which will depend on the new bank you opt to take the loan from.

➤ **Will my loan be transferred automatically to my other bank or Seychelles Credit Union?**

No, your loan will not automatically be transferred. If you opt to pay off your loan with Habib Bank through financing accessed from another institution, you would need to complete the due process with the other bank. Alternatively, Habib Bank will contact you with regards to the transfer of your loan to another bank.

### **3. Deposits**

➤ **Is my deposit safe with the bank?**

Habib Bank has more than enough funds to repay all clients having deposits with the bank.

➤ **Should I withdraw my funds now?**

You have until December 28, 2018 to transfer your funds out of Habib Bank. Whilst there is no risk of you not receiving your funds, it is advisable not to wait until the last minute.

➤ **How can I move my funds to another bank or Seychelles Credit Union?**

If you already have an account with another banking institution you can transfer your funds via electronic means to your other account. You may also withdraw up to SCR50,000 in cash over the counter. Anything above that will have to be transferred via a banker's cheque, the Seychelles Electronic Funds Transfer or SWIFT. No charge shall be incurred for such transfers. Please ensure you receive proof of transfer or withdrawal for all transfers and cash withdrawals. When your account is closed, it is advisable that you request a statement of account for at least six (6) months for your record keeping and reconciliation purposes.

If you do not have an account with another bank or Seychelles Credit Union, you will be required to open an account with another banking institution to be able to transfer your funds from Habib Bank to the new account using either a banker's cheque, the Seychelles Electronic Funds Transfer or SWIFT. Similar to the above, you may also withdraw up to SCR50,000 in cash over the counter, anything above that will have to be transferred via electronic means to the other account. No charge shall be incurred for such transfers. Please ensure you receive proof of transfer or withdrawal for all transfers and cash withdrawals. When your account is closed, it is advisable that you request a statement of account for at least six (6) months for your record keeping and reconciliation purposes.

➤ **Is there a deadline for moving funds to another bank?**

All funds should have been transferred prior to December 28, 2018. It is recommended that you do not wait until the last minute to transfer funds.

➤ **What is the procedure for opening a bank account at another bank or Seychelles Credit Union?**

Whilst banks may have different procedures, you will need to provide proof of identification, address and a copy of your latest payslip at a minimum to open an account with another bank. For further details, kindly contact your bank of choice and request information on what is required to open a bank account.

➤ **Will I receive all the money in my account with Habib Bank?**

Yes, Habib Bank is fully solvent and has sufficient liquidity. This means that the bank is in a position to honour its obligation towards all depositors.

➤ **Can I withdraw all my funds in cash?**

Funds can be withdrawn in cash up to SCR50,000. Any accounts with balances above SCR50,000 will have to be transferred in whole to another bank or SCU account. For any transactions, ensure that you obtain documentary evidence from Habib Bank. When your account is closed, it is advisable that you request a statement of account for at least six (6) months.

➤ **Can I continue to deposit funds into my Habib Bank account?**

If you already have an account with another bank or Seychelles Credit Union, it is recommended that you use this other account. However, deposits (including cheques) can still be accepted into Habib Bank accounts up till October 31, 2018.

➤ **What will happen to my fixed deposit with the bank? Will there be a penalty for breaking the deposit?**

The bank will be breaking your fixed deposit when you request transfer of same to another bank account. No costs for early termination of the deposit will be charged.

## **4. Payments**

➤ **What about getting my salary which is paid into my Habib Bank account?**

Only September 2018 salaries will be allowed to be paid into your Habib Bank account. As of October 2018, salary payments into Habib Bank will not be accepted. Therefore, customers are being advised to provide an account with another bank or Seychelles Credit Union to their employers for payment of salaries as of October. It is to be emphasised that it is the responsibility of the employee to ensure the updated account details are communicated to their employer.

➤ **I received a cheque for payment drawn from a Habib Bank account – what do I do?**

You are advised to deposit the cheque into your bank account immediately and you have the possibility to do so until the end of October 2018.

➤ **Can I continue to use my Habib Bank cheque book?**

Customers are not encouraged to effect payments via Habib Bank cheques. Customers of Habib Bank are advised to return their cheque books to the bank for a refund.

➤ **What will happen to my standing orders?**

Clients are being requested to ensure that all outgoing standing orders are cancelled with Habib bank before December 28, 2018. The bank will not charge customers for these cancellations. Moreover, clients are being advised to make alternate arrangements with other banks or Seychelles Credit Union.

As Habib Bank will not accept any new deposits after October 31, 2018, for funds entering a Habib Bank account through standing orders, customers are requested to immediately request cancellation of same or make necessary amendments for the standing order to go to a non-Habib Bank account. You may need to contact the person who has set up the standing order.

## **5. Unclaimed deposits**

➤ **What will happen if I do not transfer my deposit at Habib Bank by December 28, 2018 to another bank or Seychelles Credit Union?**

After December 28, 2018 any funds that remain in bank accounts will be moved to the Central Bank of Seychelles. Any request for these funds will have to be submitted to the Central Bank of Seychelles.

➤ **What will happen to dormant accounts (accounts inactive for more than six months)?**

Clients can access dormant accounts with Habib Bank up till December 28, 2018, provided that necessary identification documents are provided. After such time, the funds will be transferred to the Central Bank of Seychelles.

➤ **What will happen to my abandoned properties with the bank? What do I do?**

Abandoned properties are accounts that have been dormant for a period of 10 years with a bank, which is subsequently transferred to the Central Bank of Seychelles if unclaimed. For claiming these funds, normal procedures will apply until December 28, 2018. You will have to contact Habib Bank to claim any abandoned properties and ensure that necessary proof of identification is provided to enable Habib Bank to release the properties to you. Habib Bank will undertake the necessary to request such funds from the Central Bank of Seychelles on your behalf.

After December 28, 2018, customers will need to contact the Central Bank of Seychelles directly in order to claim abandoned properties.

## **6. Consumer redress**

### **➤ Where do I go if I have an issue or concern with Habib Bank?**

Habib Bank has made special arrangements to ensure that all queries and complaints from its customers are handled efficiently by its customer service personnel. They can be contacted on **4224371/4224372** during banking hours.

### **➤ What if something goes wrong and I am not happy with service/explanation provided by Habib Bank?**

You can call the Central Bank of Seychelles on its hotline - **2510025** – for any queries, complaints or clarifications. The hotline is accessible as of Friday September 21, 2018.

### **➤ Will the opening hours of the bank change?**

The opening hours of the bank will generally remain unaffected.

Monday to Friday: 8:30am – 2:30pm

Saturday: 8:30 – 11:00am. However, the Bank will remain open until 12 noon on Saturday September 22, 2018.

### **➤ What if in 2019, I realise that there are discrepancies with my transactions with Habib Bank?**

You will have two (2) months after the closure of Habib Bank – (i.e. up till end of February 2019) – to raise any further concerns or highlight discrepancies. Such concerns should be brought to the Central Bank of Seychelles.