

20- CENTRAL REGISTRATION SYSTEM FOR CUSTOMERS WHOSE ACCOUNTS AT LOCAL BANKS WERE CLOSED

- A) Instruction concerning the Central Registration System for Customers whose Accounts with local Banks were closed due to Cheques returned for being without Provisions, and the Rules and Procedures to be applied in this Regard.
- B) Circular concerning the Replacement of Tables containing the Current Branch Codes, with New Tables related to the Central Registration System for Customers whose Accounts with local Banks were closed.
- C) Circular concerning Discontinuation of submitting Statements to the Central Registration System by Mail for Customers whose Accounts with local Banks were closed due to Cheques Returned for being without Provisions, effective from the second half of 2011, and Submission of only the Statement received through the Direct Communication Line.
- D) Circular concerning the Development of the Auto-System to receive Data for the Central Registration System, for Customers whose Accounts with local Banks were closed due to Cheques Returned for being without Provisions, by Using the Oracle Applications instead of the Main Frame.
- E) Circular No. (2/BS, IBS/318/2013) concerning the Development of the Automated Central Registration System for Returned Cheques.

THE GOVERNOR

Muharram 26, 1420 H
May 12, 1999

The Chairman of the Board of Directors,

Circular to all Local Banks

I would like to inform you that the Board of Directors of the Central Bank of Kuwait has, in its meeting on 09/05/1999, issued instructions concerning the central registration system for customers whose accounts at local banks were closed due to cheques returned for being without provisions, and the rules and procedures to be applied in this regard. This system shall apply after completion of its automation and testing processes at the Central Bank of Kuwait. Attached hereto is a copy of these instructions.

You will be further notified of the start of application of these instruction after completion of the mentioned processes.

Your bank shall start, on its part, to take necessary action in preparation for the implementation of these instructions, particularly with regard to the required database and the policy adopted for dealing with customers whose cheques are returned.

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

20- **CENTRAL REGISTRATION SYSTEM FOR CUSTOMERS WHOSE ACCOUNTS AT LOCAL BANKS WERE CLOSED.**

A) Instruction concerning the Central Registration System for customers whose accounts at local banks were closed due to cheques returned for being without provisions, and the rules and measures to be applied in this regard .

**Instructions Concerning the Central Registration System
for Customers Whose Accounts at Local Banks were Closed due
to Cheques Returned for being Without Provisions,
and the Rules and Procedures to be Applied in This Regard**

With a view to ensuring the proper use of bank cheques, limiting the increase in number of cheques returned for being without provisions, enhancing trust in cheques as a payment instrument along with avoiding the negative impact which the misuse of cheques has on transactions; and, within the framework of upgrading the relevant system currently followed by the banks and Kuwait Finance House, and to attain an adequate measure of uniformity and organization among banks in this regard, the Board of Directors of the Central Bank of Kuwait (CBK) has decided to establish an automated central information system at the Central Bank of Kuwait, in regard to customers whose accounts at local banks Kuwait Finance House were closed due to cheques returned for being without provisions, and for the issuance of rules and measures to be applied by the local banks and the Kuwait Finance House in dealing with these customers, as follows:

First : Central registration system

- 1) A central registration " system shall be established at the Central Bank of Kuwait for customers whose accounts at local banks were closed due to cheques returned for being without provisions, " and shall be referred to hereinafter as "the System". Participants in the system encompass local banks, Kuwait Finance House and any other banks that may be licensed in the future, are referred to hereinafter as "the Banks".
- 2) The System shall have a function to establish " a list of customers whose accounts were closed due to cheques returned for being without provisions, " referred to hereinafter as "the List".
- 3) The banks shall supply the system through on-line connection with the Central Bank of Kuwait, with the following information on customers whose accounts were closed due to cheques returned for being without provisions, on the same day the account is closed:
 - Name of customer; civil card number for individuals, and commercial registration number for companies and establishments.
 - The number of account that has been closed.
 - Code of concerned branch.
 - Number and date of each returned cheques on the basis of which the account was closed.
 - Date the account was closed.
 - The reason the account was closed.

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- 4) The on-line system shall be used to input information or for viewing the list provided by the system according to the procedures and controls listed below:
 - a) Banks shall provide the supervision department at the Central Bank of Kuwait with a list of names, job titles and specimen signatures of persons authorized to use the on-line connection for entering data into the system or for viewing the list provided by the system. This authorization shall be limited to four officials from the competent department at each bank.
 - b) The supervision department at the Central Bank of Kuwait shall allow those employees authorized by their banks to use the System, with the following:
 - Screen identification and numbering.
 - Issuance of password for authorized employee to use the on-line system.

Second : Rules and procedures to be implemented:

- 1) All customer's checking accounts shall be closed and the name thereof entered into the list if, within one year, a maximum three cheques made by the customer are returned for being without provisions, or if the bank finds ill-intent on the customer's part, resulting into non-clearance of the cheque. The customer's name shall remain on the list for one year before removal therefrom.

Banks shall request customers, whose accounts were closed, to return to the bank the unused cheques still in their possession.

- 2) A bank may not open new checking accounts or issue new cheque books for customers recorded in the list, whether they were so recorded by that bank or by any other bank.
- 3) Banks shall close the account of any customer recorded in the list by other banks, in the event where one cheque drawn on the customer's bank account is returned for being without provisions.
- 4) Where a cheque is returned for being without provisions, banks shall serve the issuing customer a warning, underlining the penalties applicable to cheques returned for being without provisions, and stating that the cheque so returned will be counted as returned cheques under Item No. 1 of these rules and procedure, regardless of the returned cheque having been settled.

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- 5) Banks shall print and affixed to cheque books a sheet bearing a reminder of the penalty applicable under the Kuwaiti Penal Code for issuing cheques without provisions, and the measures taken accordingly in this regard.
- 6) When opening a checking account, the bank shall obtain from the customer, a written and unconditional consent to the application of these instructions, as well as any other measures dictated by the bank's policy regarding cheques drawn on it and returned for being without provisions. Banks shall obtain a similar consent from their existing clients for which they opened checking accounts, within six months from the application of this System.

The rules and procedure mentioned above are the minimum applicable by banks in dealing with customers whose cheques are returned for being without provisions. Banks are each entitled to apply further stricter measures, according to the bank's policy in this regard and in the light of the customer's behavior in dealing with cheques.

Third: General instructions

- 1) Banks shall lay down internal regulations that ensure the confidentiality of data and information provided in this System, and prevent their misuse. Furthermore, banks shall advise authorized employees that disclosure or misuse of such data and information will subject them to the penalties provided for in the relevant laws.
- 2) The Central Bank of Kuwait shall be provided periodically with information on cheques that are returned for being without provisions, according to the attached form, on a six-monthly basis (end of June and December of each year), provided that such data be extracted from the system on-line and endorsed by the bank's management, and reach the Central Bank of Kuwait within one week from the end of the period covered by the statement.

The first such statement shall be accompanied with a detailed description of the bank's policy with regard to customers whose cheques are returned for being without provisions. ⁽¹⁾⁽²⁾

⁽¹⁾ To avoid duplication of the submitted data, it has been decided to discontinue the data received by mail starting the second half of 2011 according to circular dated 28/11/2011 listed under Item (C) of this chapter

⁽²⁾ The auto-system receiving data from local banks has been developed by using the Oracle applications instead of the Main Frame according to circular dated 03/05/2012 listed under Item (D) of this chapter.

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- A) Instruction concerning the Central Registration System for customers whose accounts at local banks were closed due to cheques returned for being without provisions, and the rules and measures to be applied in this regard .

Banks shall set up an adequate in-house database containing information on clients whose cheques were returned, so as to allow verification of the position of these clients at any time, and to provide the Central Bank of Kuwait with necessary information in this regard.

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A) Instruction concerning the Central Registration System for customers whose accounts at local banks were closed due to cheques returned for being without provisions, and the rules and measures to be applied in this regard .

**Statement of Cheques Presented to the Bank⁽¹⁾ and those Returned
for being without Provisions During the Period.....**

Bank name:							<i>KD Thousand</i>	
Description	Total cheques presented to the bank ⁽²⁾			Total cheques returned for being without provisions ⁽²⁾			Accounts closed because of Cheques without provisions	
	Amount	Number	No. of Customers ⁽³⁾	Amount	Number	No. of Customers ⁽³⁾	Number of Customers	Number of Accounts
Total								

(1) Includes the head office and branches inside Kuwait .
 (2) Whether presented at the counter or through the clearing room .
 (3) Duplication should be avoid in the listing of customers .

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THE EXECUTIVE DIRECTOR

*Thul-Hijja 04, 1429 H
December 02, 2008*

The General Manager,

Circular to all Local Banks Including Foreign Branches

With reference to the Central Registration System for customers whose accounts were closed due to cheques returned for being without provisions, the rules and procedures applicable thereto, and the related codes of branches where such accounts have been closed, we would like to inform you that the current branch code lists have been replaced with new lists (attached) effective the beginning of working day of 02/12/2008.

Best Regards,

**The Executive Director, Supervision Sector
Dr. Mohammad Yousef Al-Hashel**

20- **CENTRAL REGISTRATION SYSTEM FOR CUSTOMERS WHOSE ACCOUNTS AT LOCAL BANKS WERE CLOSED.**

B) Circular concerning the Replacement of Tables containing the Current Branch Codes, with New Tables related to the Central Registration System for Customers whose Accounts with local Banks were closed.

Capital Governorate (100)			
Code	Area	Code	Area
101	Kuwait City	116	Adailiya
102	Dasman	117	Faiha
103	Sharq	118	Shamiya
104	Qiblah	119	Keifan
105	Bneid Al-Qar	120	Khaldiya
106	Dasma	121	Yarmuk
107	Murqab	122	Shuwaikh (Residential)
108	Da'iyah	123	Shuwaikh (Industrial)
109	Qadisiya	124	Mina Shuwaikh
110	Mansouriya	125	Shuwaikh (Educational)
111	Dahyat Abdallah Al-Salem	126	Shuwaikh (Medical)
112	Nuzha	127	Mubarkiyya Camps
113	Rawda	128	Garnata
114	Surra	129	Sulaibikhat
115	Qurtuba	130	Doha
		131	Salhiya

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Hawali Governorate (200)	
Code	Area
201	Salmiya
202	Rumaithiya
203	Salwa
204	Mishref
205	Dahiat Abdallah Al-Mubarak
206	Bayan
207	Jabriya
208	Hawalli
209	Shaab
210	Salam
211	Hitteen
212	Al-Shuhada
213	Zahra'a
214	Siddeeq

Jahra Governorate (300)	
Code	Area
301	Sulaibiya
302	Al-Qasr
303	Al-Naim
304	Tayma'a
305	Al-Nasim
306	Jahra Industrial
307	Al-Oyoun
308	Al-Waha
309	Jahra

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Mubrak Al-Kabeer Governorate (400)	
Code	Area
401	Sabah Al-Salem
402	Messila
403	Funeitees
404	Abo Fatira
405	Addan
406	Al-Qosour
407	Al-Qurain
408	Mubarak Al-Kabeer
409	Subhan

Farwaniya Governorate (500)	
Code	Area
501	Abraq Khaitan
502	Al-Amriya
503	Farwaniya
504	Al-Dajeej
505	Rabia
506	Rihab
507	Eshbiliya
508	Al-Rai
509	Jileeb Al-Shoyoukh
510	Airport
511	Al-Rig'ai
512	Ardiya
513	Andalus
514	Fardous
515	Sabah Al-Salem

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Ahmadi Governorate (600)	
Code	Area
601	Fintas
602	Mahboula
603	Abo-Halifa
604	Mangaf
605	Fahaheel
606	Shuaiba
607	Mina Abdallah
608	Umm Al-Haiman
609	Aqeela
610	Al-Riqqa
611	Dahiat_Fahad Al-Ahmad
612	Al-Sabahiya
613	Ahmadi
614	Hadiya
615	Jaber Al-Ali
616	Al-Dahar

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B) Circular concerning the Replacement of Tables containing the Current Branch Codes, with New Tables related to the Central Registration System for Customers whose Accounts with local Banks were closed.

THE EXECUTIVE DIRECTOR

*Muharram 03, 1433H
November 28, 2011*

The General Manager,

Circular to all local Banks

Reference is made to the decision of the Central Bank of Kuwait's Board of Directors dated 09/05/1999 concerning the instructions related to the Central Registration System for customers whose accounts with local banks were closed due to cheques returned for being without provisions, and the applicable rules and procedures, whereby the Central Bank of Kuwait (CBK) must be provided with the required statements through mail, while the same statement is concurrently received through the Direct Communication Line (on-line).

To avoid duplication of the submitted data, it has been decided that submission of the mentioned statements received through mail shall be discontinued effective from the second half of 2011.

Best Regards,

**The Executive Director, Supervision Sector
Yousef J. Al-Obaid**

20- **CENTRAL REGISTRATION SYSTEM FOR CUSTOMERS WHOSE ACCOUNTS AT LOCAL BANKS WERE CLOSED.**

- C) Circular concerning Discontinuation of submitting Statements to the Central Registration System by Mail for Customers whose Accounts with local Banks were closed due to Cheques Returned for being without Provisions, effective from the second half of 2011, and Submission of only the Statement received through the Direct Communication Line.

THE EXECUTIVE DIRECTOR

*Jumada Al-Akhira 12, 1433H
May 03, 2012*

The General Manager,

Circular to all local Banks

With reference to the Circular of the Central Bank of Kuwait (CBK) dated 12/05/1999 concerning the instructions related to the Central Registration System for customers whose accounts with local banks were closed due to cheques returned for being without provisions, and the applicable rules and procedures, we would like to inform you that an automated system for receiving data from local banks has been developed by using the Oracle applications instead of the Main Frame according to the attached User Manual (CD), which includes operating guidelines. Banks are required to submit the daily data on-line effective from 01/07/2012.

In addition, your bank must submit the historical data according to the new system (Oracle) starting from the beginning of 2011 and no later than 30/06/2012. You are also require to provide us with such data on both Oracle and Main Frame systems on the due dates for a transitional period and you shall be notified later of the date on which you shall discontinue submission of data on the Main Frame system.⁽¹⁾

Best Regards,

**The Executive Director, Supervision Sector
Yousef J. Al-Obaid**

⁽¹⁾ Circular No. (2/BS,IBS/318/2013), listed under Item (E) of this chapter, issued on 09/12/2013 concerning developing of an auto-system for the central registration system for customers whose accounts with local banks have been closed due to returned cheques. This circular set the date for discontinuation of submitting data through the Main Frame system.

20- CENTRAL REGISTRATION SYSTEM FOR CUSTOMERS WHOSE ACCOUNTS AT LOCAL BANKS WERE CLOSED.

- D) Circular concerning the Development of the Auto-System to receive Data for the Central Registration System, for Customers whose Accounts with local Banks were closed due to Cheques Returned for being without Provisions, by Using the Oracle Applications instead of the Main Frame.

THE GOVERNOR

*Safar 05, 1435H
December 08, 2013*

The Chairman of the Board of Directors,

**Circular No. (2/BS, IBS/318/2013) to all local Banks
concerning the Development of the Automated Central
Registration System for Returned Cheques**

Reference is made to the Circular of the Central Bank of Kuwait (CBK) dated 03/05/2012 concerning the development of the automated Central Registration System for returned cheques to receive data from local banks through the Oracle application instead of the Main Frame system according to the CBK's circular dated 12/05/1999 concerning the instructions related to the Central Registration System for customers whose accounts with local banks were closed due to cheques returned for being without provisions, and the applicable rules and procedures.

We would like to inform you that you must discontinue providing us the Central Registration System data for the returned cheques on the Main Frame effective from 01/01/2014, and provide us with such data effective from the mentioned date through Oracle as per the enclosed manual, which includes the operating guidelines.⁽¹⁾

With my best Regards,

**The Governor
Dr. Mohammad Y. Al-Hashel**

⁽¹⁾ Local banks were provided with the English version of the User Manual.