



Dear customer,

Information Document for the customers of the Bank with respect to the provisions of the Directions for the opening and operation of current accounts in any currency and the establishment of a Central Information Register (CIR) for the drawers of dishonoured cheques.

By this Document we notify you that the Central Bank of Cyprus and the Officer of the Co-Operative Companies and Co-Operative Development with their Directions specify the following concerning the opening and operation of current accounts in any currency and the establishment of a **Central Information Register** for the drawers of dishonoured cheques.

- **Dishonoured cheque** means a cheque issued on any bank or Co-Operative Credit Bank or Co-Operative Savings Bank (COB) which upon its re-presentation to the paying bank or to the COB, remains unpaid due to lack of funds or insufficient funds of the drawer thereof at the said bank or the COB, provided that at least 15 days have elapsed from its first presentation, or cheque issued on any bank or Co-Operative Credit Bank or Co-Operative Savings Bank (COB) which upon its first presentation to the paying bank was returned unpaid due to lack of funds or insufficient funds of the drawer thereof at the said bank or the COB and then the drawer gave instructions for stop payment. This definition includes cheques in any currency issued anytime before or at the date on which these became payable.
- A Central Information Register for the drawers of dishonoured cheques (CIR) has been established and is maintained. This Register is managed by an appointed Administration Committee (AC). In the Register are recorded persons (physical or legal) who (a) have issued within a period of 12 months at least 3 dishonoured cheques or any dishonoured cheque or cheques, the total amount of which exceeds the amount of € 2.000 or the equivalent in foreign currency as expressed in Euro on the date of recording, using the average value of parity for transactions of immediate delivery announced by the Central Bank of Cyprus the preceding working day (The equivalent in Euro will not thereafter change irrespective of any changes in the rate of exchange), irrespective of which Bank such cheques have been issued and irrespective of whether such cheque or cheques, after same are recorded in the preliminary Table provided by the Directions, have been settled or (b) if, after the said Directions came into force, a judgement of the Court for the commitment of a crime relating to the issue of a dishonoured cheque for any amount has been given against them.
- The return of a cheque due to a current account in any currency being closed, amounts to a return of a cheque due to insufficient funds, unless the presentation of the cheque was made after the expiration of 6 months from the closing of the account.

Deletion from the CIR can be effected:

a) After the expiration of three years from the date of recording of the said person in the CIR and undisputed settlement by the recorder person of all his dishonoured cheques, as well as upon the lapse of a time period of 12 months from the date of the last settlement, or

b) At the discretion of the AC:

(i) Upon proof that the settlement of each of his dishonoured cheques took place within a month from it being returned as a dishonoured cheque, or

(ii) After the expiration of a time period of 12 months from the proven settlement of all dishonoured cheques of the recorded person.



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The deletion of a recorded person who believes he fulfils the criteria for deletion as mentioned in paragraph (b) requires the submission of an application either from the interested party or through a representative, addressed to the AC and accompanied by the necessary evidence of settlement or restitution of the reasons or causes of his registration in the CIR.

Besides the recording of the account holder, the recording in the CIR can be extended to any mandator or mandators who have authority to issue cheques as representatives or attorneys of the drawer and the joint account holder or holders of joint current accounts in any currency. And if it refers to a legal person the recording will be extended to any members of the board of directors or any other officials thereof who have either directly or indirectly caused or participated in the issue of the dishonoured cheque or cheques. The AC has the duty to hear or to give the opportunity to any person prejudiced thereby to be heard in person or through his representative before any decision for recording is made.

The Banks and the COB have the right and the obligation to provide the AC with the particulars of every cheque and of the drawer thereof, provided that these are within the criteria for recording. No recording, alteration or deletion of the particulars can be effected without the decision of the AC.

The recording of a person in the CIR is notified to him by registered letter to the last known address of his home and/or employment and to all the banks and COB.

The consequences of the recording of a person in the CIR are the following:

- ❖ The freezing of his current accounts in any currency. The withdrawal or debit in connection with any such account, with the exception of the amounts due to a certain bank or the COB in which the account is maintained, is forbidden. The debit of the account is permitted for the payment of the premium of insurance policies assigned to a Bank or COB.
- ❖ Prohibition of the issue of cheques and surrender to any branch of the bank within 10 days of all the unused cheques which are in his possession of all his current accounts in any currency maintained with the bank, as they are a Bank property. Moreover, upon delivery of the unused cheques, I should inform the Bank for all cheques issued and not cleared yet. The information should include, per cheque issued, the payee name, the date of issue and the cheque amount.
- ❖ Prohibition of the opening of a current account in any currency with any bank or COB or the issue of a cheque book as long as the recording in the CIR continues.

The above Directions came into force on the 1st day of February 2003,

For any information or inquiries you may refer at our Branches in all towns.

Yours faithfully,
THE NATIONAL BANK OF GREECE (CYPRUS) LTD