

December 2015

Dormant assets

A factsheet of the Swiss Bankers Association

Introduction

Circumstances may arise in which contact between a bank and a client is lost, and as a result the assets held by the bank become “dormant”.

Such assets may then ultimately be forgotten about by the client and their heirs.

The amended Swiss Banking Act and the revised Banking Ordinance entered into force on 1 January 2015, as did the new guidelines of the Swiss Bankers Association (SBA) on the treatment of assets without contact and dormant assets held at Swiss banks. The corresponding rules and regulations state that:

all assets in cases where the bank is unable to establish any contact with the client will be deemed to be “without contact” for ten years; after this period, these assets will be deemed “dormant” for a further 50 years, and subsequently – 60 years after the last contact with the client – will be published on <https://www.dormantaccounts.ch>. This publication requirement applies to all assets where their total value exceeds CHF 500 or is unknown; if no contact is received from an entitled claimant within one year of this publication, the bank will transfer the assets to the federal government. For assets where the last contact with the client happened in 1954 or earlier, the assets remain published for 5 years; assets up to a maximum value of CHF 500 will be transferred after 60 years without such publication being made.

The transfer of the assets renders all claims null and void.

To prevent contact from being lost or assets becoming dormant, the SBA has drawn up recommendations in conjunction with the banks. These are set out in this leaflet. The SBA would also like to draw your attention to the measures that banks are to take in cases where contact is lost or assets become dormant.

Should you require any further information, your bank will be happy to help you.

Searching for assets without contact / dormant assets

If you are aware of assets without contact / dormant assets to which you are entitled, please contact the bank concerned directly. If you do not know the name of the bank, you can carry out a search via the Swiss Banking Ombudsman (www.bankingombudsman.ch). Please note that to make such a search, you will have to provide documents to prove your entitlement.

Recommendations for preventing loss of contact

Change of name and address

Please inform your bank immediately if you change your place of residence, address or name, and your bank therefore needs to update these details accordingly.

Special instructions

Please inform your bank if you are going away for an extended period of time and arrange e.g. for correspondence from your bank to be sent to another address or kept at the bank. You should also tell them how you can still be contacted in urgent cases.

Designating an authorised agent

It is generally advisable to designate an authorised agent who can be contacted by your bank in the event of contact being lost.

Informing trusted persons / your will

Another way of preventing contact from being lost and assets from becoming dormant is to inform a person you trust about your bank details. However, the bank can only give information to such a person if you have first authorised him or her in writing to act on your behalf (wherever possible using a form supplied by the bank). You could also list your assets and the name of the bank(s) where they are deposited, e.g. in your will.

Individual advice

Your bank will be happy to help you and give you advice in line with your specific circumstances.

Measures banks are to take in cases of contact being lost

In the guidelines on the treatment of assets without contact and dormant assets held at Swiss banks, the SBA Board of Directors has set out the procedures banks are to follow in the event of contact being lost:

Immediate measures

If a bank finds that its correspondence to a client is no longer deliverable, e.g. due to a change of address, and there is no longer any documented contact with this client (e.g. visit to the bank, login to e-banking), the bank should with appropriate diligence attempt to re-establish contact, and to ascertain the new address for example.

Further measures in the case of lost contact

Further measures are to be taken in accordance with the principle of proportionality, and based on the amount of the assets in question. The bank may also appoint agents to investigate. Such agents are subject to the same confidentiality requirements as the bank's employees, thereby preserving bank-client confidentiality.

If the bank's inquiries following a loss of contact are unsuccessful, or if establishing contact with the client is not possible for other reasons, the assets are deemed to be "without contact". In this case, under the guidelines the banks are obliged to:

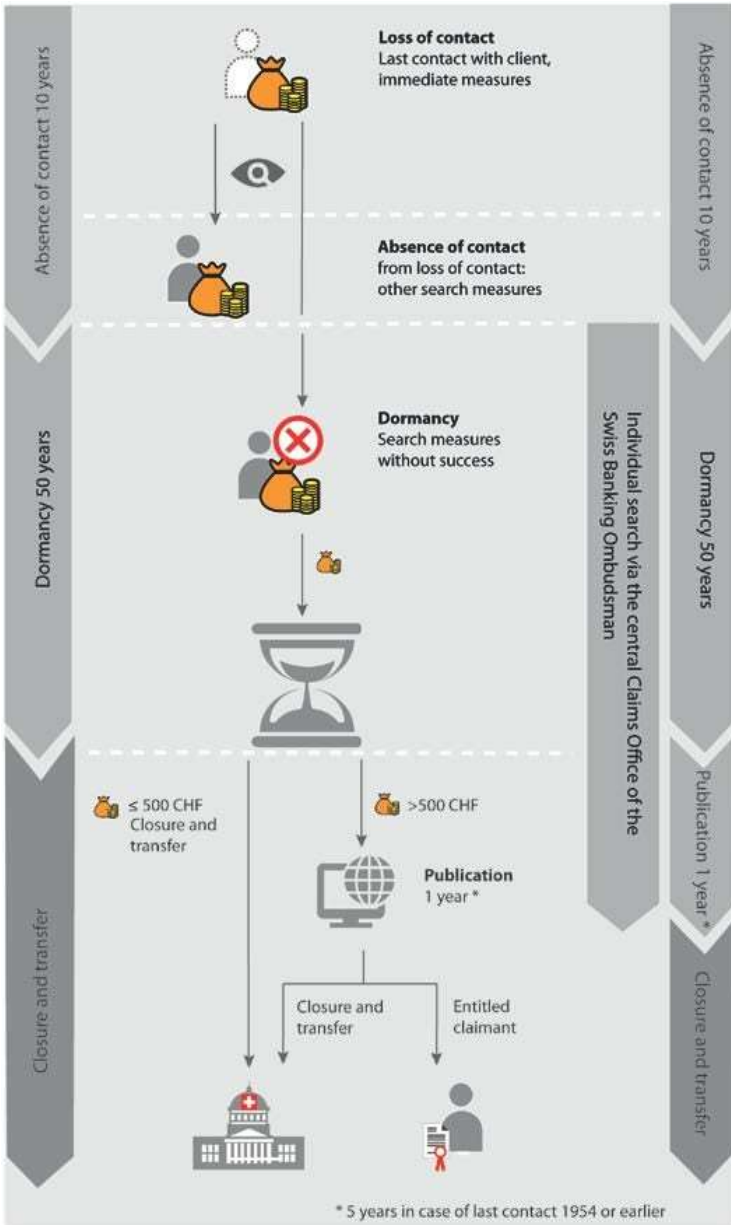
- record the assets of these clients centrally within the bank and to hold them as assets without contact for ten years,

- earmark the assets and report all safe-deposit boxes and all assets with a value of more than CHF 500 to a central database that can only be searched by the Swiss Banking Ombudsman in the interest of the entitled party. The persons working at this office, which is equipped with state-of-the-art security measures, are subject to bank-client confidentiality,

- publish the information on the bank client on <https://www.dormantaccounts.ch> 50 years after the assets having become dormant (i.e. 60 years after the last contact), provided the total amount of that client's assets exceeds CHF 500,

- transfer the assets to the Federal Department of Finance, if no valid claim to the assets has been raised during the publication period. The transfer of the assets renders all claims null and void.

Measures banks are to take in cases of contact being lost



Continued rights in cases of lost contact

The rights of the clients and their heirs remain intact even in the case of contact being lost and assets becoming dormant, until such time as the assets are delivered to the federal government. Banks may only take action that diverges from the contractual agreement with the client if such action is in the client's best interest:

Savings accounts must be continued unchanged and interest accrued at the bank's current rates.

Current accounts and similar balances must be invested to protect the client's interests, i.e. diligently and, as far as possible, profitably (e.g. in savings accounts, medium-term notes or a fund with a conservative risk profile).

Securities accounts should be continued as usual; money from maturing securities and accumulated interest or dividends should be invested in similar or other suitable securities. The bank may also invest in other assets to avoid loss in value.

In accordance with the bank's internal directives, safe-deposit boxes may be opened in cases where the rent is no longer covered, to complete the search measures, where applicable to ensure the preservation of the value of the contents, and with a view to liquidation. In this case, the contents are to be stored centrally.

Your bank will be happy to give you any further detailed information you need on the treatment of dormant assets.

Costs

The bank's usual costs and fees continue to apply in cases where contact is lost or assets become dormant. If these costs and fees exceed the assets in question, the client relationship may be closed.

Banks may also charge to the account in question costs they incur in making inquiries, costs for the special treatment and monitoring of assets without contact and dormant assets, as well as costs for the publication of the corresponding account. Costs for handling manifestly unfounded claims may be charged to the applicant.

Basel, December 2015

Swiss Bankers Association

<http://www.swisbanking.com/dormant-assets>

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