



## CENTRAL BANK OF SEYCHELLES

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### PRESS COMMUNIQUÉ

*Victoria – September 21, 2018*

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

A formal request submitted by Habib Bank Limited (HBL) to close down its business in Seychelles, has been approved by the Central Bank of Seychelles (CBS).

The request dated and received by CBS on Monday September 10, 2018, was subsequently approved by the CBS Board on Thursday September 20, 2018, in accordance with **Schedule 5 of the Financial Institutions Act, 2004**.

The decision has already been communicated to HBL, which should publish a notice of closure in the Official Gazette and a local Newspaper. The notice shall also be submitted to the Registrar of Companies.

While HBL shall not be accepting any new business as of today, following the CBS approval to close down its business, there is a clear process that the bank needs to undertake as part of its winding up. This includes repaying all of its depositors and other creditors in respect of its operations in Seychelles. HBL clients are being reassured that they have sufficient time, until December 28, 2018, to do the necessary formalities.

**As the regulator of the country's banking system, CBS would like to emphasise that it is working in close collaboration with HBL, to ensure that the interest of the bank's customers and the public is safeguarded. CBS would also like to affirm that HBL is fully solvent and has sufficient liquidity. This means that the bank is in a position to honour its obligation towards all depositors and repay all debts.**

HBL account holders are being encouraged to use electronic transfer facilities available, to move their funds to accounts held with other commercial banks. To facilitate this process, HBL will be waiving all charges associated with the transfer of funds, and other transactions, as well as closure of accounts. Clients opting for cash will be allowed to withdraw up to 50,000 rupees.

CBS has already had discussions with the other commercial banks to facilitate the process for HBL's clients needing to open new bank accounts, subject to the banks' undertaking of their due diligence process.

The public is also being advised to refrain from issuing and accepting cheques related to HBL accounts after Friday September 21, 2018. However, the Central Bank and Commercial Banks,

will continue to accept valid cheques up to October 31, 2018. In the event that the issuer of the cheque has already closed his/her account with HBL, the individual or company to whom the cheque is made payable, should contact the person to make provisions for them to be paid. Alternative arrangements also have to be made for other planned payments, such as Standing Orders.

With regards to loans and other credit facilities, HBL will be informing clients on arrangements being made, or the various options available, for them to repay their debts.

In order to assist customers who may have any queries, complaints or clarifications in regards to the closure, CBS has set up a **hotline number - 2510025**, which will be accessible as of this Friday. HBL has also made necessary arrangements to ensure that all queries directed to the bank are appropriately addressed.

As per the requirement of section 4 of Schedule 5 of the Financial Institutions Act, 2004, Mr Huns Biltoo, a partner of KPMG Mauritius, has been appointed to act as the Supervising Agent, tasked with overseeing the winding up of the bank.

CBS intends for all of the above to be effected in a timely manner, in view that it has set the end of February 2019, for the final revocation of HBL's licence, and subsequent ceasing of operation.

**HBL currently employs 12 staff, among which 10 are Seychellois nationals. CBS has advised HBL to undertake necessary dialogue with its staff to ensure their fair treatment and provision of a compensation package as per the Seychelles Employment Act, in consultation with the Ministry responsible for employment. Given the developments and new openings within the financial sector, CBS is confident that there are sufficient employment opportunities, and will be meeting with the staff to provide guidance on available prospects. The Governor of the Central Bank, Ms Caroline Abel, has already had a first meeting with the employees of the bank, on Thursday afternoon.**

Habib Bank Limited, headquartered in Karachi, Pakistan, opened a branch in Seychelles in 1976. The management of HBL has advised that the decision to close down the business is based on the strategic reorganisation being undertaken by the bank.

**In line with its commitment to transparency, CBS will ensure that the general public is kept abreast of all developments pertaining to the closure of HBL.**