

Message from the Central Bank of UAE

As per Central Bank of UAE, all banks are required to incorporate a set of new security features in the monetary instruments (i.e. Cheque, Demand Draft, Pay order / Manager's Cheque). This has been mandated by Central Bank of UAE, in larger interest of the public, to reduce fraud, as the instruments with the new security features are tamper proof. Cheques that have been issued by National Bank of Abu Dhabi adhere to this mandate.

Each bank may have its own list of overt/covert security features however the minimum mandated by the Central Bank of the UAE will be available on all of them. Some security features are easily verifiable without the need for additional devices. Cheques issued by banks now carry a warning band either on the front or back which identifies one or more security features that is available in the instrument.

The simplest form of verifying if the instrument at hand is compliant is to gently rub on the word indicative of the instrument type, such as "CHEQUE" printed in thermo chromic ink the word will fade off due to the heat and will reappear once it has cooled down.

Please find below the implementation mandates to all banks and what needs to be done by you.

- Effective 1<sup>st</sup> March 2010 banks will not accept instruments as security for finance if they don't meet the security features. You will need to obtain a fresh set of compliant instruments as would be directed by the lending institution.
- If you are in possession of any post dated instruments and these are being presented on or after 01<sup>st</sup> January 2011, you will then need to give a separate undertaking and confirm that the non compliant instrument (if any) was received and held in your custody by you on or before 31<sup>st</sup> March 2010. Such undertaking will exempt you from the requirement of obtaining new instruments from your customers and the banks from refusing to accept such non-compliant instruments from being deposited.
- With immediate effect stop accepting instruments that are not security compliant, these instruments will not be accepted by banks. When accepting any instrument that would need to be later deposited at a bank for realization, verify that they are compliant with the minimum mandated security features, by ensuring that the security features as indicated by the warning band is available.
- If you are in possession of any undated instruments, collected and held as a security, then get them replaced by the issuer at the earliest opportunity.
- In the event that you are holding unused instrument(s) not meeting the above security features then these must be carefully and securely shredded by yourself and at the same time apply for a new cheque book. The new cheque leaves will be provided to you free of cost or at a cost of AED 50 in the event you have previously applied for a cheque book in the same month.

Yours sincerely,

National Bank of Abu Dhabi