

PRESS RELEASE



Second Round Public Consultation on Proposed Changes to the Dormant Bank Accounts Administration Regime

April 29th, 2016

The Central Bank of The Bahamas (“Central Bank”) released a Consultation Paper in February 2014 (First Round Public Consultation) setting out its proposals for changes to the legislation relating to the administration of dormant accounts held by its bank licensees, as contained in the draft Banks and Trust Companies Regulation (Amendment) (No. 2) Bill, 2014 and the draft Central Bank of The Bahamas (Amendment) Bill, 2014 (see the Consultation Paper here: <http://www.centralbankbahamas.com/publications.php?cmd=view&id=16481>). Additionally, to assist with the Central Bank’s public awareness objective, an explanatory note in the form of questions and answers, which provided information on the existing dormant accounts administration framework and key aspects of the legislative proposals, was published in the newspapers and also posted to the Central Bank’s website (see: <http://www.centralbankbahamas.com/download/084434400.pdf>).

After examining the comments received from interested parties during the First Round Public Consultation, and following further benchmarking of specific issues raised by respondents, as well as closed consultation with industry stakeholders and the Securities Commission of The Bahamas, the Central Bank is proposing further amendments to the First Round Public Consultation versions of the draft Banks and Trust Companies Regulation (Amendment) Bill and the draft Central Bank of The Bahamas (Amendment) Bill (“the draft Bills”) – including amendments to some of its previous proposals, and the introduction of new ones.

Key changes to the proposed legislation

The key changes proposed to be made to the draft Bills following the First Round Public Consultation include:

- (i) Bringing cash deposits found in dormant safety deposit boxes under the dormant accounts regime;
- (ii) Introducing new obligations that will, inter alia, require banks to treat dormant accounts containing precious metals, precious gemstones (excluding jewellery) and securities as transferrable assets to be liquidated and the proceeds transferred to the Central Bank and permit banks to deduct the reasonable costs of liquidating such assets;

- (iii) Reducing the period during which a claim may be brought for dormant account funds from the twenty-five years period, proposed in the previous draft Bills, to ten years; and
- (iv) Requiring the Central Bank to pay interest on dormant accounts funds, where such interest was payable by the bank from which such funds were received, at a rate and in a manner to be computed by the Central Bank in respect of a dormant account. The Bank would establish the interest rate with reference to market conditions and factors affecting the management of the Dormant Account fund in its custody.

Please click on the links below for additional details of the proposed changes to the dormant accounts administration framework.

The Second Round Public Consultation period will run from 29th April, 2016 to 31st May, 2016. All questions and comments regarding these proposals should be directed to:

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