



Learning Series:
Understanding Dormant
Accounts

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PRESENTATION OUTLINE

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I. Understanding How We Got Here

1. Background

- The dormant account laws were introduced in 1989 to ensure that money held in dormant accounts, were to be transferred to the custody of the Central Bank for safe-keeping when there is no customer-initiated activity on the account for a period of seven (7) years.
- Prior to 2018 Dormant accounts were held at the Central Bank indefinitely.
- Since the enactment of the Central Bank of The Bahamas (Amendment) Act, 2018, dormant funds are now held at the Central Bank for 10 years (total of 17 years no activity), before being remitted to the Public Treasury Department.
- As of 2025, the total remitted to the Public Treasury Department is approximately **\$63,589,544.37**.





2. Progressive Strengthening Of The Governance Structure

Prior to 2018

- Accounts are held indefinitely at the Central Bank.

2018

- Accounts held over 10 years are to be remitted to the Public Treasury Department.
- Accounts less than \$500 are to be remitted immediately to the Public Treasury Department.
- Interest shall accrue and are to be paid on accounts transferred.

2020

- The types of accounts now include precious gemstones.
- The seven year period is now more defined stating when to start calculating the period, depending on the type of account.
- The Central Bank is to repay the equivalent amount, together with interest if interest was payable by the bank who submitted the funds.
- The Central Bank determines the interest rate.**

2025

- The Minister of Finance may request a withdrawal of the interest income accrued on dormant account funds to be used for government assisted small home repair and hurricane repair programmes.

**Nb: While the law makes provisions for the Central Bank to pay interest on the funds, parameters around the same are still being developed and will be communicated, once established.



2. Progressive Strengthening Of The Governance Structure Cont'd.

- The Central Bank of The Bahamas Act, 2020 (the Act) outlines the governance framework for the administration of the dormant account funds.
- As such, the Act provides for the establishment of a Fund for the inactive deposits placed under the Central Bank's custody and empowers the Central Bank to invest and reinvest dormant funds.
- To facilitate this investment function, the Act further provides that a committee shall be established and referred to as the **Dormant Funds Investment Committee**.





3. Benefits Of The Governing Laws

- ✓ The dormant account laws protects individuals from losing money held with a bank on forgotten accounts for a specified period of time.
- ✓ The law provides for money held in dormant accounts to be transferred to the custody of the Central Bank for safe-keeping when there is no customer-initiated activity on the account for a period of seven (7) years.
- ✓ Money transferred to the Central Bank can be claimed within a specified timeframe (within 10 years from the point of becoming dormant).





4. Key Objectives of The Guidelines

The primary purpose of the **Dormant Account Guidelines** is to protect account holders from losing their money and to ensure that forgotten or abandoned funds are managed transparently.

- The guidelines provide a standardised framework for banks to identify, monitor, and eventually transfer unclaimed assets for safekeeping; inclusive of the following:
 - ✓ **Customer Protection:** Ensure banks track customer funds allowing owners or heirs to claim their money years later.
 - ✓ **Administrative Consistency:** Set a [minimum standard](#) for how banks must investigate inactive accounts before declaring them dormant.
 - ✓ **Fraud Prevention:** Regular monitoring of inactive accounts reducing the risk of unauthorized transactions on accounts that owners are not actively checking.
 - ✓ **Standardized Disposition:** Outlines the legal timeline for transferring funds to the Central Bank after **7 years** of inactivity.
 - ✓ **Enhanced Transparency:** Banks are required to maintain a register of dormant accounts, which is subject to inspection by the Central Bank to ensure accountability.





II. Understanding the Current Dormant Account Framework

1. What is a Dormant Account?

- Pursuant to Section 78(2) of Banks and Trust Companies Regulation Act, 2020, a dormant account is a deposit account or other facility at a bank where the customer has initiated **no transaction, for a period of seven years.**
- This can be a deposit account or other facility held with the bank.
- ‘Other facility’ includes an account or arrangement that is provided by the bank to a customer; such as bank drafts, manager’s cheques, money orders and traveler’s cheques.





2. Dormant Accounts vs. Inactive Accounts

- Inactive Accounts are **not** Dormant Accounts.
- Banks classify deposit accounts or facilities as inactive, if the account owner does not conduct any transaction on the account or facility for a period of at least one (1) year and up to almost seven (7) years.
- These accounts remain with the bank and typically require updated know your customer (KYC) documentation to be reactivated.





3. What Type of Accounts can Become Dormant?

According to the Banks & Trust Companies Regulation Act, 2020, Section 78(1), the following types of accounts can be classified as dormant:

- A deposit account, including demand, savings, and fixed term deposit account;
- A chequing account;
- A bank draft, cashier cheque, certified cheque and money order;
- A traveler's cheque;
- A credit balance on a credit card;
- A credit balance on a loan;
- Collateral held on a loan, including cash and non-cash collateral;
- Funds paid for shares or other interest in a licensee;
- A custody account or safety deposit box;
- A deposit account of precious metals and precious gemstones;
- All securities listed in Part I of the First Schedule to the Securities Industry Act, 2011 (no. 10 of 2011); and
- Such other deposit account or other facility as the Bank may, by notice, determine.





4. The Seven-year Period Explained

Per the Banks & Trust Companies Regulation Act, 2020, Section 78(3), the seven year period shall be calculated in the case of:

- A deposit account made for a fixed period, from the date on which the fixed period terminated, or the date the customer terminates his instructions to automatically renew the deposit, whichever is the later;
- A deposit account not made for a fixed period, from the date of which the customer last conducted a transaction with respect to the deposit account; and
- A facility other than one referred to in paragraphs above, from the date on which the facility was issued, established, or the obligation to make a payment in respect of the facility accrued, whichever is the later.



III. Understanding the Process to Reclaim Funds

1. Who Can Initiate a Claim with the Central Bank?

- Dormant claims or enquiries initiated by customers must be made by the submitting banks, on behalf of their clients.
- In instances where the banks transferred ownership or were dissolved, the administration of the transferred dormant funds are to be transferred to the acquiring bank or liquidator, also preserving the chain of responsibility for future claims.





2. The Process to Reclaim Funds Transferred to the Central Bank

The process below is offered as general guidance. Your bank will be able to provide you with detailed guidance on their particular procedures and requirements.

- 1) If your bank notifies you that you have a dormant account, or if you have reason to believe that you have a dormant account in a bank, you should go to the bank at which the deposit account or facility was held and complete the Dormant Account Claim Form.
- 2) Your bank will ask you for identification and other documentation to make sure that you are the account owner/joint owner or are otherwise entitled to make a claim (for example, where the claimant is an heir or legal representative of a deceased account owner).
- 3) The bank will thoroughly investigate the claim and, once satisfied that the dormant account was transferred to the Central Bank and that the claimant is entitled to make the claim, the bank will forward the completed Dormant Account Claim Form to the Central Bank for processing.





2. The Process to Reclaim Funds Transferred to the Central Bank Cont'd.

- 4) On receipt of a completed Dormant Account Claim Form, the Central Bank will:
 - verify that the balances were transferred and calculate the amount of interest accrued on the funds (if applicable).
 - following verification, and provided the funds are still in the Central Bank's possession, the Central Bank will pay the funds (plus interest, if applicable) to the facilitating bank for payment to the claimant.
- 5) If the claimed amount is less than \$500 and has already been transferred to the Treasurer, the Central Bank will make application to the Minister of Finance, on behalf of the claimant, for repayment of the funds by the Treasurer.
- 6) On receipt of the funds from the Treasurer, the Central Bank will pay the funds to the facilitating bank for payment to the claimant. Dormant account balances of less than \$500 dollars do not accrue interest.





3. Who Is Eligible to Make a Claim?

According to the Banks & Trust Companies Regulation Act, 2020, Section 78, Subsection (1), a customer is:

- ✓ A person who holds an account or other facility;
- ✓ A person who, in respect of an account or other facility, is authorized, in writing, to act as the agent of the person who holds the account or other facility;
- ✓ A person who is authorized under a power of attorney to manage and control an account or other facility;
- ✓ Where a person who holds an account or other facility is deceased, the heirs, executors, administrators and assigns of that person;
- ✓ Such other person as the Central Bank may be notice determine.





IV. The Financial Institution's Responsibility

1. In accordance with the Guidelines, all dormant funds claim forms must be accompanied with a cover letter, which should include the full settlement instructions of the bank (not the client).
2. The cover letter should also include a contact, the amount of the claim and the client's account number.
3. The cover letter should accompany the completed claim form and be submitted to the following e-mail address – dormantaccounts@centralbankbahamas.com.
4. Once the documents are received and reviewed, the Central Bank will process the claim and return the funds to the respective bank for issuance to the client.

Banks are encouraged to ensure that their clients are properly advised that all claims are to be submitted on their behalf.

The Central Bank does not issue claimed dormant funds directly to the banks' customers.



V. The Role of the Finance Department

- The role of the Finance Department is to be the administrator of the Dormant Accounts Fund.
- This includes processing of the submissions and claims received from the various banks and investment of the funds.
- The Dormant Fund activity is reported to the Dormant Fund Investment Committee.





VI. Key Take-Aways

- 1) The Dormant Accounts legislation speaks to accounts that have had seven years of no customer initiation.
- 2) These accounts are then transferred to the Central Bank for safe-keeping for a period of 10 years.
- 3) Accounts that are less than \$500 are immediately remitted to the Public Treasury Department.
- 4) After 10 years at the Central Bank (17 years in total as Dormant), the funds are remitted to the Public Treasury Department.
- 5) The process to retrieve dormant funds begins with a request from the institution where the funds were originally held.
- 6) After the institution verifies that they submitted funds to the Central Bank, the Central Bank then verifies the claim and transfers the funds to the original institution to be distributed to the customer.





VII. Frequently Asked Questions

How do banks satisfy the Central Bank that they have made sufficient efforts to contact dormant account owners?

The Central Bank's Guidelines for the Administration and Ultimate Disposition of Dormant Bank Accounts set out the minimum requirements that banks are expected to comply with, to identify, investigate and administer inactive deposit accounts.

How would an account owner know when his/her dormant account was transferred to the Central Bank?

The bank should seek to contact the owners of inactive accounts and facilities:

- after the account or facility has remained inactive for one (1) year;
- after the account or facility has remained inactive for three (3) years; and
- after the account or facility has remained inactive for almost 7 years (or just before the account or facility is classified as dormant and the balances transferred to the Central Bank).“

What should you do if you are the heir or legal representative of a deceased person who you think owned/owns a dormant account?

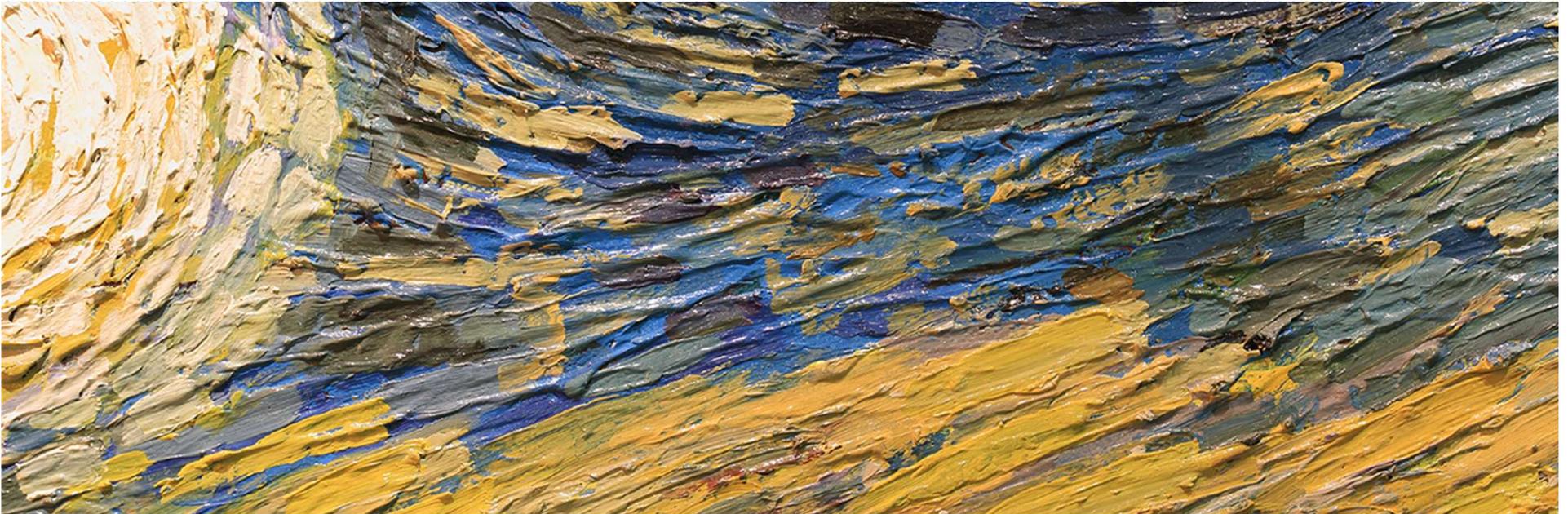
Banks in The Bahamas are generally prohibited from disclosing to third parties any information about the identity, assets, liabilities, transactions or accounts of account owners. Therefore, banks will only provide information about a dormant account to a person who can prove their entitlement to obtain such information.

“Fishing expeditions” to find dormant accounts are never entertained. If you are an heir or legal representative of a deceased or incapacitated person who you think owned a dormant account, the bank at which you think the dormant account was held will let you know what documentation you must provide to verify that you are entitled to obtain information about the account. If you do not know the name of the bank(s), it may be necessary to engage legal counsel to assist you with finding any dormant account that may exist.





Questions and Answers?





Contact Us:

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For more detailed information about this presentation or our services, please contact us at:



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