



**GUIDELINES ON THE ADMINISTRATION OF ABANDONED PROPERTY
FOR INSTITUTIONS LICENSED UNDER
THE FINANCIAL INSTITUTIONS ACT, 1996-16**

The Financial Institutions Act requires licensees to report and convey abandoned property to the Central Bank of Barbados. This guideline establishes procedures for handling such property.

1.0 Description of abandoned property

- 1.1 In accordance with Section 87(1) of the Act, abandoned property is "property of any kind held by or owing in the course of its business by a licensee in respect of which no activity has been evidenced for a period of 10 years". This includes:
- Any general deposit that is a demand, saving or matured time deposit made with the licensee, together with any interest or dividend but exclusive of legal charges;
 - Credit balances on loans and collateral held;
 - Funds that were paid toward the purchase of shares or other interest in a licensee;
 - Any sum payable on cheques or other instruments for which the licensee is liable;
 - Intangible personal property or movables and any income or increment thereon held in trust, and
 - The contents of safe deposit boxes upon which the lease or rental period has expired.

2.0 Handling of Abandoned Property

- 2.1 Prior to reporting abandoned property to the Central Bank, licensees should make reasonable efforts to contact owners of abandoned property, by regular mail sent to the last known address of the owner.
- 2.2 Licensees may deduct an annual charge for the administration of such accounts, provided that the charge is set out for customers at the beginning of the relationship; and subsequent amendments

are advised to customers. Based on existing consensus with the Central Bank, this charge should not exceed \$10.00 per annum. Where the client acknowledges receipt by updating the account all charges should be reversed.

3.0 Reporting to the Central Bank of Barbados

- 3.1 All licensees must within 60 days of the end of each financial year report to the Central Bank all abandoned property in accordance with Section 88 (1) (a) of the FIA.
- 3.2 Individual lists should be submitted for each branch.
- 3.3 Where there is no abandoned property to be reported, this must be formally communicated to the Central Bank.
- 3.4 Reports should give the following details:
 - The names and the last known addresses of the owners of the abandoned property.
 - The nature of the abandoned property, and the value and account numbers where applicable.
- 3.5 Information should be recorded in alphabetical order. The date on which the property is reported to the Central Bank should appear on each page. The information should be reported in electronic format and a hard copy forwarded thereafter to the Bank Supervision Department.

4.0 Publishing/Advertising

- 4.1 In accordance with Section 88(1) (b) of the Act, where there is abandoned property, a licensee shall within 60 days of the end of each financial year publish in the Official Gazette and in a daily newspaper published and circulating in Barbados, a notice containing:
 - The name of the owner.
 - The particulars concerning any abandoned property including the account number, the last known address and the balance of the account as at the date of transfer. In the case of unclaimed instruments, the names of the payer and payee must be stated.
- 4.2 Advertisements must be prepared in the most cost efficient format. The Bank recommends the use of font size 8 for customer details.

5.0 Conveyance of abandoned property to the Central Bank of Barbados

- 5.1 In accordance with Section 88 (3) (a) of the Financial Institutions Act, all licensees must deposit with or convey to the Central Bank all abandoned property which remains unclaimed after the expiration of 90 days from the date of publication in the newspaper.
- 5.2 Licensees are advised that this applies to **ALL** balances on abandoned property, irrespective of amount and from all branches. Where payments are made after advertisement, the bank must submit a reconciliation of the differences between the reported and the conveyed sums.
- 5.3 Balances transferred must be inclusive of interest calculated to the date of transfer.
- 5.4 The licensee's internal auditor should verify and sign off on all abandoned property conveyed to the Central Bank. Where the licensee does not have an internal auditor, senior management of the licensee must sign off on the abandoned property being conveyed to the Central Bank.
- 5.5 Information relating to abandoned property being conveyed should be in the form defined at Sections 3.4 and 3.5.

6.0 Drilling of safe deposit boxes

- 6.1 Drilling of safe deposit boxes to retrieve abandoned property must be executed in the presence of a representative from the Central Bank, which should be given at least 7 days notice of the intent to drill.
- 6.2 Contents of boxes must be recorded and verified by officers from the licensee and the Central Bank.
- 6.3 Contents of boxes must be deposited with the Central Bank no later than the end of the following working day.

7.0 Reimbursement of costs

- 7.1 The Central Bank will refund licensees for the cost of:
 - a) Drilling of safe deposit boxes to retrieve abandoned property, and
 - b) Advertisements published.

Licensees are reminded that **no** deductions should be made from funds retrieved from safety deposit boxes which constitute abandoned property. In addition, advertising costs should not be deducted from individual dormant accounts 10 years and over, nor from the total proceeds of abandoned property conveyed to the Central Bank.

- 7.2 Licensees may seek reimbursement for advertisements published in the Official Gazette and in **ONE** daily newspaper circulating in Barbados.
- 7.3 The Central Bank will reimburse claims for costs supported by original invoices and copies of approved advertisements for which reimbursement is sought.

8.0 Claims

- 8.1 Claims for abandoned property conveyed to the Central Bank must be made by the claimant to the respective licensee. The licensee is expected to pay these claims and thereafter seek reimbursement from the Central Bank.
- 8.2 Claim forms submitted to the Central Bank must be signed by the claimant and must bear two authorised signatures and the official stamp of the licensee. Claim forms must be accompanied by all relevant documentation used in verifying the transaction, (i.e. letters testamentary/letters of administration, etc.)
- 8.3 Annually, and more often when necessary, all licensees must provide to the Bank Supervision Department lists of persons who are authorised to sign claim forms on the licensee's behalf.



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EXPLANATORY NOTE

6.0 DRILLING OF SAFE DEPOSIT BOXES

Licensees should note the following as it relates to Section 6.1 of the Guidelines On The Administration of Abandoned Property For Institutions Licensed Under The Financial Institutions Act, 1996-16.

In the case of a safety deposit box drilled after two years or such time less than the 10-year period, the Central Bank of Barbados has no jurisdiction. The contents are the responsibility of the licensee, which should hold them in safe keeping until the 10-year period of inactivity stipulated by the Act has elapsed. Thereafter, the contents of these boxes should be published in the normal manner and then forwarded to the Central Bank 90 days from the date of publication. Under no circumstances should contents of any safety deposit box on which there is no activity for less than 10 years be forwarded to the Central Bank.

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