BANKING (AMENDMENT) (NO. 2) BILL, 2026

EXPLANATORY NOTES

The Banking (Amendment) (No. 2) Bill, 2026, seeks to provide for the reform of the law on abandoned property and related matters.

This Bill contains **five (5) clauses**.

Clause 1 of the Bill provides for the short title of the Bill.

Clause 2 of the Bill provides that the Act being amended by the Bill is referred to as the "principal Act".

Clause 3 of the Bill introduces new definitions for "abandoned property" and "owner", which are to be inserted in the principal Act.

Clause 4 of the Bill repeals and substitutes Part XII of the principal Act which addresses 'Abandoned Property'.

The **new sections 167 to 174C** contain provisions with respect to abandoned property of a type relating to accounts and other funds. Under the **new section 167**, property of a type described under subsection (1) are presumed to be abandoned after the passage of ten years ('abandoned property'). Subsection (2) provides the circumstances under which property enumerated under subsection (1) will not be presumed to be abandoned, including an indication of interest in the property made by the owner to a licensed financial institution.

Under the **new section 168**, a licensed financial institution is required to report and pay over abandoned property to the Central Bank. A reduction of interest or the levying of interest on abandoned property is restricted. Further, abandoned property that is paid over to the Central Bank ceases to accumulate interest; and liability for that abandoned property passes from the licensed financial institution or licensed financial holding company to the Central Bank.

Existing abandoned property in the custody of the Central Bank and the attending liability for that abandoned property is transferred to the respective Member Country under the **new section 169**. Also, the Central Bank is required to publish the aggregate value of abandoned property transferred to the Member Country.

The **new section 170** establishes the date on which respective types of abandoned property are vested in the State. Particularly, abandoned property of the type presumed abandoned under section 167(1) and paid into the custody of the Central Bank by virtue of section 168(1)(b) vests in the State five years from the date on which it is paid into the custody of the Central Bank. In that case, liability also passes from the Central Bank to the State. Further, existing abandoned property in the custody of the Central Bank vests in the State on the date it is transferred to the Member Country under section 169(1).

The presumption of abandonment, the sale of contents and the handling of the sale of the contents of safe deposit boxes are addressed under **new sections 171 to 173**. By the **new section 171**, a safe deposit box is presumed abandoned five years after the expiry of its lease or rental. Within the stipulated time, the licensed financial institution is required to report and deliver to the Minister, the contents of those safe deposit boxes. At that point, liability for the contents of the safe deposit box is assumed by the Minster.

Under the **new section 172**, the Minister may sell the contents of the safe deposit box at public action, after making the requisite publication and notification to the owner of the safe deposit box within the stipulated time. On sale, ownership of the contents of the safe deposit box is attained by the purchaser, reflecting the current law on the matter.

By the **new section 173**, the fund into which the proceeds of sale of safe deposit boxes are placed is renamed from the "Abandoned Property Fund" to the "Abandoned Safe Deposit Box Liquidation Fund" (the Fund) to clarify the specific category of abandoned property that comprise that Fund. The Minister is required to pay the proceeds of sale of a safe deposit box less any administrative costs associated with the sale into the Fund. In keeping with the existing law, an owner may make a claim against the Fund for a period of ten years. After the passage of those ten years, the proceeds in the Fund vest in the State. Further, the Minister may, on the recommendation of the Central Bank, dispose of any property which remains unsold after a public auction.

The **new sections 174 to 174C** address matters of general application to all abandoned property. The **new section 174** provides for the publication and notification of owners of abandoned property and for the restoration of abandoned property to the owners in the stated circumstance.

The **new section 174A** sets out the framework for owners to make claims for recovery of abandoned property. Under the **new section 174B**, abandoned property vested in the State under section 170 are to be held in a special reserve fund and applied to strategic economic development initiatives approved by the Monetary Council. Further, failure to file a report of pay over abandoned property attract penalties under the **new section 174C**.

Clause 5 of the Bill provides for transitional matters. Under subsection (1), on the commencement of the resulting Act, property that has been dormant for more than ten years are presumed to be abandoned and must be paid over to the Central Bank by a licensed financial institution or licensed financial holding company. By subsection (2), provisions of the principal Act with respect to reporting, vesting, publication, reclamation, use and failure to file, report or pay over abandoned property apply to property under subsection (1).

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Sen. the Hon. Claudette Joseph
ATTORNEY-GENERAL

BANKING (AMENDMENT) (NO. 2) BILL, 2026

ARRANGEMENT OF CLAUSES

BANKING (AMENDMENT) (NO. 2) BILL, 2026

GRENADA

ACT NO. OF 2026

AN ACT to amend the Banking Act No. 20 of 2015.

BE IT ENACTED by the King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Grenada, and by the authority of the same, as follows—

Short title
1. This Act may be cited as the

BANKING (AMENDMENT) (NO. 2) ACT, 2026.

Interpretation
2. In this Act, "principal Act" means the Banking Act No. 20 of 2015.

Amendment of section 2 of the principal Act
3. Section 2 of the principal Act is amended by inserting the following new definitions in the correct alphabetical order—

"**abandoned property**" means any property presumed abandoned under sections 167 and 171; and

"**owner**" includes a legal representative or a person claiming through or under him or her;".

Repeal and substitution of Part XII of the principal Act
4. The principal Act is amended by repealing Part XII and substituting therefor the following new Part—

""PART XII
ABANDONED PROPERTY

Abandoned Property: accounts and other funds

Abandoned property
167. (1) Subject to subsection (2), the items enumerated under paragraphs (a), (b), and (c) which are held or owing by a licensed financial institution or licensed financial holding company for ten years shall be presumed to be abandoned—

(a) any general deposit (demand, savings or matured time deposit), and funds prepaid on credit cards and other electronic funds made in Grenada with a licensed financial institution, together with any interest or dividend, but excluding any lawful charges;

(b) any funds paid in Grenada toward the purchase of shares or other interests in a licensed financial institution or licensed financial holding company, together with any interest or dividend, but excluding any lawful charges;

(c) any sum payable on cheques certified in Grenada or on written instruments issued in Grenada on which a licensed financial institution is directly liable.

(2) The items enumerated under subsection (1) shall not be presumed to be abandoned if the owner has, within ten years of the date of deposit, payment of funds or issuance of instruments, as the case may be—

(a) increased or decreased the amount of the deposit or funds or presented the passbook or other record for the crediting of interest or dividends in respect of the items enumerated in subsection (1)(a) or (b);

(b) corresponded in writing with the licensed financial institution or licensed financial holding company concerning the items; or

(c) otherwise indicated an interest in the items enumerated under subsection (1)(a), (b) or (c) as evidenced by a memorandum concerning them written by a licensed financial institution or licensed financial holding company.

Reporting and disposal of property presumed abandoned under section 167

168. (1) Every licensed financial institution or licensed financial holding company holding any of the items enumerated under section 167(1) shall within three months after the end of its financial year—

(a) report such holdings to the Central Bank, and

(b) pay into the custody of the Central Bank all property presumed to be abandoned listed in the report,

in accordance with Regulations made by the Minister on the recommendation of the Central Bank.

(2) On paying the items enumerated under section 167(1) into the custody of the Central Bank—

(a) the items shall cease to accrue interest; and

(b) a licensed financial institution or licensed financial holding company shall be relieved of all liability to the extent of the value of the items for any claim.

(3) Except with the approval of the Central Bank, on the terms and conditions as it may determine, no reduction in the amount of interest or dividends payable and no charges in excess of those made in respect of comparable active accounts shall be made by a licensed financial institution or licensed financial holding company during the period of inactivity of the items set out in section 167(1) or at the time the items are paid into custody under subsection (1).

Transfer of existing abandoned property to Minister

169. (1) Any property presumed abandoned under section 167 in the custody of the Central Bank shall be transferred to Grenada.

(2) The Central Bank shall publish in the *Gazette*, a newspaper of general circulation and on its website the aggregate value of abandoned property transferred to Grenada under subsection (1).

(3) On transfer of the abandoned property to Grenada under subsection (1), the Central Bank shall be relieved of all liability to the extent of the value of the property for any claim.

Abandoned property to vest in the State

170. (1) Any abandoned property paid into the custody of the Central Bank under section 168(1)(b) shall vest in the State five years from the date on which it was paid into the custody of the Central Bank.

(2) Any abandoned property transferred to Grenada under section 169(1), shall vest in the State on the date on which it is transferred to Grenada.

(3) On the vesting of abandoned property in the State under subsection (1), the Central Bank shall be relieved of all liability to the extent of the value of the property for any claim.

Safe deposit boxes

171. (1) The contents of a safe deposit box at a licensed financial institution shall be presumed to be abandoned where—

(a) the lease or rental has expired; and

(b) five years has elapsed from the expiration of the lease or rental.

(2) Every licensed financial institution holding any contents of a safe deposit box presumed abandoned shall—

(a) within ninety days after the end of its financial year report the holdings to the Minister; and

(b) deliver to the Minister the contents of the safe deposit boxes reported under paragraph (a).

(3) On delivering the property into the custody of the Minister a licensed financial institution shall be relieved of all liability to the extent of the value of the property for any claim.

Sale of contents of a safe deposit box

172. (1) The contents of a safe deposit box delivered to the Minister under section 171(2) may be sold at public auction by the Minister after the expiration of sixty days from the later date of publication or mailing required by section 174 following such advertisement of the sale as the Minister on the recommendation of the Central Bank, may prescribe.

(2) Any purchaser shall receive title to the property free from all claims of the owner or prior holder and from all persons claiming through or under him or her.

Handling of proceeds of sale of safe deposit box contents

173. (1) There is hereby established an Abandoned Safe Deposit Box Liquidation Fund under the administration and control of the Minister.

(2) The Minister shall deposit the proceeds of the sale of the contents of a safe deposit box into the Abandoned Safe Deposit Box Liquidation Fund less all reasonable costs incurred by it in connection with the sale, mailing of notices, and service as it may consider appropriate to assure the prompt payment of claims which may subsequently be made and approved by the Minister.

(3) Any property remaining unsold shall be disposed of by the Minister in such manner as the Minister on the recommendation of the Central Bank may prescribe.

(4) The proceeds of sale of any property under subsection (2) shall be held in the Abandoned Safe Deposit Box Liquidation Fund for a period of ten years, after which the amount shall vest in the State.

Abandoned Property: General

Publication of abandoned property and notification

174. (1) Within thirty days after the end of its financial year but before the filing of the report to the Central Bank under section 168(1)(a) and the report to the Minister under section 171(2), a licensed financial institution or licensed financial holding company shall, with respect to the owner of abandoned property—

(a) publish a notice in the *Gazette*, a newspaper of general circulation and on its website, and

(b) send a notice by mail or by any method of communication specified in an account mandate, to the owner's last known address.

(2) A notice under subsection (1) must state—

(a) the name of the owner;

(b) the particulars of the abandoned property; and

(c) that if a transaction is not effected with respect to the property within thirty days of the date of the notice, the property will be paid or delivered, without further notice, to the—

(i) Central Bank, in the case of abandoned property under section 167; or

(ii) Minister, in the case of abandoned property under section 171.

(3) Nothing in this section shall prevent a licensed financial institution or licensed financial holding company from restoring abandoned property enumerated under section 167 where the owner complies with a notification given under this section after the expiration of the period specified under subsection (2)(c), but prior to the payment to the Central

Bank under section 168(1)(b).

Claims on abandoned property

174A. (1) Subject to section 170(1), the owner of abandoned property paid into the custody of the Central Bank under section 168(1)(b) has, against the Central Bank, such right to repayment of the abandoned property as the owner would have had against the licensed financial institution or licensed financial holding company.

(2) The owner of abandoned property transferred to Grenada under section 169(1) or vested in the State under section 170(1) has, against the State, such right to repayment of the abandoned property as the owner would have had against the Central Bank.

(3) Any person claiming an interest in any abandoned property paid into the custody of the Central Bank under section 168(1)(b) or Grenada under section 169(1) or vested in the State under section 170(1) may file a claim for that interest by a claim form supported by affidavit evidence.

(4) Any person claiming an interest in—

(a) any abandoned property delivered to the Minister under section 171(2); or

(b) subject to subsection (6), proceeds of the sale of property paid into the Abandoned Safe Deposit Box Liquidation Fund,

may file a claim for that interest by a claim form supported by affidavit evidence.

(5) The Minister shall, on the recommendation of the Central Bank, by Regulations, prescribe the—

(a) claim form;

(b) persons to whom a claim form may be issued;

(c) required documentation to accompany each claim;

(d) procedures for filing the claim form;

(e) process for the approval of claims; and

(f) procedures for the payment of claims and for reimbursements.

(6) On the expiration of the period under section 173(4) no person may make any claim against the State in respect of the abandoned property.

(7) Any person aggrieved by a decision of the Central Bank or Minister may commence an action in the High Court to establish his or her claim within thirty days following the decision of the Central Bank or Minister.

Use of abandoned property

174B. Any abandoned property vested in the State under section 170 shall be—

(a) held in a special reserve fund;

(b) used to finance strategic economic development initiatives approved by the Monetary Council.

Failure to file report or to pay abandoned property

174C. A licensed financial institution or licensed financial holding company which fails to comply with sections 168(1), 171(2) or 174 is liable to a penalty of five thousand dollars and for a further penalty of one thousand dollars for each day of default.".

Transitional

5. (1) Where on the commencement of this Act, any property described under section 167(1) has been dormant for more than ten years, this property shall be presumed to be abandoned property and paid over by the licensed financial institution or licensed financial holding company to the Central Bank.

(2) Sections 168, 170, 174, 174A, 174B and 174C shall apply to abandoned property paid over to the Central Bank under subsection (1), with the necessary modifications.

Passed by the House of Representatives this day of , 2026.

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Clerk to the House of Representatives

Passed by the Senate this day of , 2026.

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Clerk to the Senate