



## **Dormant Account Legislation** **Frequently Asked Questions (FAQs)**

**1. What is the Dormant Accounts Law?**

This comprises the Dormant Accounts Law (2010), the Dormant Accounts (Amendment) Law, 2010, the Dormant Accounts (Forms) Regulations, 2010 and the Dormant Accounts (Forms)(Amendment) Regulations, 2010 (collectively, the "Law"). The purpose of the Law is to define circumstances in which an account shall be deemed to be dormant and to provide for the monies held in such accounts to be transferred to the general revenue of the Cayman Islands Government.

**2. Where can I find the reporting forms?**

The forms are identified in the Dormant Accounts (Forms) Regulations, 2010 and the Dormant Accounts (Forms)(Amendment) Regulations, 2010.

**3. Who is covered by the Law?**

Any person that holds monies in any of the following institutions:

- a. A bank;
- b. A trust company;
- c. A credit union;
- d. A building society;
- e. A class A insurer writing long-term business;
- f. A financial institution stipulated, from time to time, by the Governor in Cabinet.

**4. How long must an account be dormant to be treated under the Law?**

7 years.

**5. What is the definition of "monies held"?**

"Monies held", as defined under section 2 of the Dormant Accounts Amendment Law (2010), include:

- a. Deposits comprising both general, demand, savings or fixed (including interest);
- b. Sums payable on certified cheques;
- c. Cash from the sales proceeds of precious metals or precious stones (excluding jewellery);
- d. The proceeds of insurance claims payable from life insurance policies;
- e. Proceeds of assets held under trust except trusts created pursuant to S.153 of the Companies Law (2010 Revision)

**6. What is the correct filing period to be inserted in Form 3 (Certificate of Compliance)?**

31<sup>st</sup> December

**7. When must CIMA be notified that a dormant account exists?**

31<sup>st</sup> March

**8. What is the purpose of the 31<sup>st</sup> July date in the Law?**

For those institutions that have identified dormant accounts to CIMA by 31<sup>st</sup> March, the 31<sup>st</sup> July date is the deadline for meeting the requirements of Form 1 and informing the dormant

account holder that unless a response is received by 31<sup>st</sup> December, the proceeds of the account will be transferred to the Cayman Islands Government.

**9. If there are no dormant accounts, do I need to report?**

Yes, even if there are no dormant accounts at your institution, Form 2 and 3 of the regulations must be provided to CIMA indicating zero as the total number of dormant accounts.

**10. Can I file the various forms under the Dormant Account Regulations electronically?**

Yes. The forms can be sent electronically to [DormantAccount@cimoney.com.ky](mailto:DormantAccount@cimoney.com.ky) or by hard copy to CIMA.

**11. What if I have dormant accounts but there are no funds within the accounts, do I need to report?**

Yes, Form 2 and 3 of the regulations must be provided to CIMA indicating the name of the account holder, and that the amount transferred is zero.

**12. How should account providers handle “dormant property” that is not cash?**

The financial institution would execute a sale at fair market value and proceed to remit the value of the sale directly to the Treasury Department of the Cayman Islands Government.

**13. Do all the contents of a safety deposit box need to be transferred to Government?**

No, the only items that need to be transferred from a safety deposit box are the cash from or proceeds of sale of precious metals or precious gemstones (excluding jewellery).

**14. In what currency should funds be transferred to Government?**

Treasury Department can only accept the following five currencies:

- a. C.I. Dollars
- b. U.S. Dollars
- c. British Sterling
- d. Canadian Dollars
- e. Euro

All other currencies must be converted to one of the currencies listed above.

**15. What if an account is discovered to be dormant OR becomes dormant after 31<sup>st</sup> July but before 31<sup>st</sup> March deadline of the following year?**

Only accounts dormant on 31<sup>st</sup> December of the year prior to 31<sup>st</sup> July should be reported. Any other accounts can be reported in the following year's compliance.

**16. Is there an extension of time that may be granted for compliance with filing the reports?**

No extensions can be granted.

**17. Is there any way for a dormant account holder to recoup his/her account from Government?**

Yes. If a dormant account holder wishes to make representation to regain the proceeds of his or her account, he or she can obtain documentation directly from the Treasury Department of the Cayman Islands Government.