



Eastern Caribbean Central Bank

P. O. Box 89, Basseterre, St Kitts, West Indies

Timothy N. J. Antoine
Governor

14 November 2024

**To: The Chief Executive Officers
All Licensed Financial Institutions Under the Banking Act, 2015**

Dear Sirs/Mesdames

CIRCULAR: Establishment of Basic Bank Account

The Eastern Caribbean Central Bank (ECCB) is committed to financial inclusion and promotes the appropriate and proportionate implementation of international standards to enable citizens of the Eastern Caribbean Currency Union (ECCU/the Currency Union) to access regulated financial services. In keeping with its mandate to safeguard the soundness and integrity of the financial system, the issue of financial inclusion remains fundamental to ensuring the sustainability of our economies, as it plays a critical role in the fight against money laundering and terrorist financing.

The ECCB recognises challenges faced in the opening of bank accounts across the Currency Union and the unintended consequences regarding the disproportionate application of legislative standards. As part of its strategic objective aimed at fostering financial inclusion, the ECCB has developed a comprehensive action plan to facilitate the ease of account opening at licensed financial institutions (LFIs), which includes proposed amendments to the Banking Act, 2015.

This Circular seeks to guide LFIs on the establishment of a basic bank account. In its proposed amendment to the Banking Act, 2015, a basic account is defined as a savings account that:

- a) is free to open;*
- b) does not attract charges for the making of deposits or withdrawals;*
- c) accrues interest;*
- d) is not subject to a minimum balance;*
- e) may be subject to a maximum balance; and*
- f) does not have an associated chequing or overdraft facility.*

As an interim measure pending the implementation of the proposed amendments to the Banking Act, 2015, LFIs are encouraged to adopt the requirements as captured in the **Appendices**, towards the establishment of a basic account product effective the 1st day of December 2024. The basic account seeks to provide access to the unbanked and underserved persons in the Currency Union and offers convenient, safe and affordable access to the financial system.



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The ECCB takes the opportunity to extend its sincere appreciation to the ECCU Bankers Association, Ease of Account Working Group and LFIs during the consultation process. We look forward to your continued cooperation and support towards the joint objective of maintaining the integrity of the ECCU banking system.

Yours faithfully

Signed by:

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Timothy N. J. Antoine
GOVERNOR

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Eastern Caribbean Central Bank

P O BOX 89, BASSETERRE, ST KITTS, WEST INDIES

APPENDIX I BASIC ACCOUNT DUE DILIGENCE REQUIREMENTS

INDIVIDUALS

Account Functionality	Due Diligence Requirements
<ul style="list-style-type: none"> i. Aggregate credits does not exceed Eastern Caribbean \$36,000 annually. ii. Access to debit card, online banking services and the Automated Clearing House, Electronic Funds Transfer. iii. Usage of Point of Sale, Bill Payment, ATM, bank to bank transfer. iv. Limited to one account per person either singularly or jointly within the jurisdiction. v. No account opening or maintenance fees. (ATM and other fees attached to services will be applicable). vi. Overdrafts prohibited. vii. No cross border wire transfers outside the Currency Union (via online platform). 	<ul style="list-style-type: none"> i. Obtain one (1) form of valid photo identification of either: <ul style="list-style-type: none"> a. National identification card; or b. Driver's Licence; or c. Passport ii. Record and retain the following in accordance with the record retention requirements: <ul style="list-style-type: none"> a. Full name/s used; b. Date and place of birth; c. Nationality; d. Telephone number; and e. Occupation and name of employer (if self-employed, the nature of the self-employment). iii. Record the customer's complete permanent residential address. iv. Record the nature, purpose of account and source of funds. v. The customer must be screened against the lists of designated persons. At a minimum, this should occur at the on-boarding of the customer; when the designated lists are updated; and on a quarterly basis. vi. Risk based transaction monitoring controls must be implemented to ensure that the prescribed limits are not

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Account Functionality	Due Diligence Requirements
	<p>breached and ensure that transactions match the initial low risk profile of the account. Deviations from the established profile, on the basis of risk, should prompt a review of the account and customer risk profile.</p> <p>vii. Full due diligence including the application of enhanced due diligence must be carried out where deviations may occur. Accordingly, the bank should consider whether the customer continues to qualify for the basic banking account where:</p> <ul style="list-style-type: none">a. the customer crosses the established thresholds;b. the customer wishes to access additional financial services; orc. Where there is suspicion of money laundering or terrorist financing.

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APPENDIX II BASIC ACCOUNT DUE DILIGENCE REQUIREMENTS

SMALL- MEDIUM SIZED ENTITIES

Account Functionality	Due Diligence Requirements
<ul style="list-style-type: none"> i. Aggregate credits does not exceed Eastern Caribbean \$36,000 annually. ii. Access to debit card, online banking services and the Automated Clearing House, Electronic Funds Transfer. iii. Usage of Point of Sale, Bill Payment, ATM, bank to bank transfer. iv. Limited to one account per person either singularly or jointly within the jurisdiction. v. No account opening or maintenance fees. (ATM and other fees attached to services will be applicable). vi. Overdrafts prohibited. vii. No cross border wire transfers outside the Currency Union (via online platform). 	<p><i>Sole Trader/Partnerships</i></p> <ul style="list-style-type: none"> i. Record the customer's <ul style="list-style-type: none"> a. Full legal name [including the 'trading as' name if applicable] b. Complete residential address c. Business name d. Date and Place of Birth e. Nationality f. Nature of business and purpose of account g. Source of funds ii. Obtain one (1) form of valid photo identification of either: <ul style="list-style-type: none"> a. National identification card; or b. Driver's Licence; or c. Passport. iii. Record and retain the following in accordance with the record retention requirements: <ul style="list-style-type: none"> f. Full name/s used; g. Date and place of birth; h. Nationality; and i. Telephone number. iv. The customer must be screened against the lists of designated persons. At a minimum, this should occur at the on-boarding of the customer; when the designated lists are updated; and on a quarterly basis.

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Account Functionality	Due Diligence Requirements
	<ul style="list-style-type: none"><li data-bbox="1087 310 1902 505">v. Risk based transaction monitoring controls must be implemented to ensure that the prescribed limits are not breached and ensure that transactions match the initial low risk profile of the account. Deviations from the established profile, on the basis of risk, should prompt a review of the account and customer risk profile.<li data-bbox="1087 540 1902 865">vi. Full due diligence including the application of enhanced due diligence must be carried out where deviations may occur. Accordingly, the bank should consider whether the customer continues to qualify for the basic banking account where:<ul style="list-style-type: none"><li data-bbox="1205 708 1902 740">a. the customer crosses the established thresholds;<li data-bbox="1205 743 1902 808">b. the customer wishes to access additional financial services; or<li data-bbox="1205 812 1902 865">c. Where there is suspicion of money laundering or terrorist financing.

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