

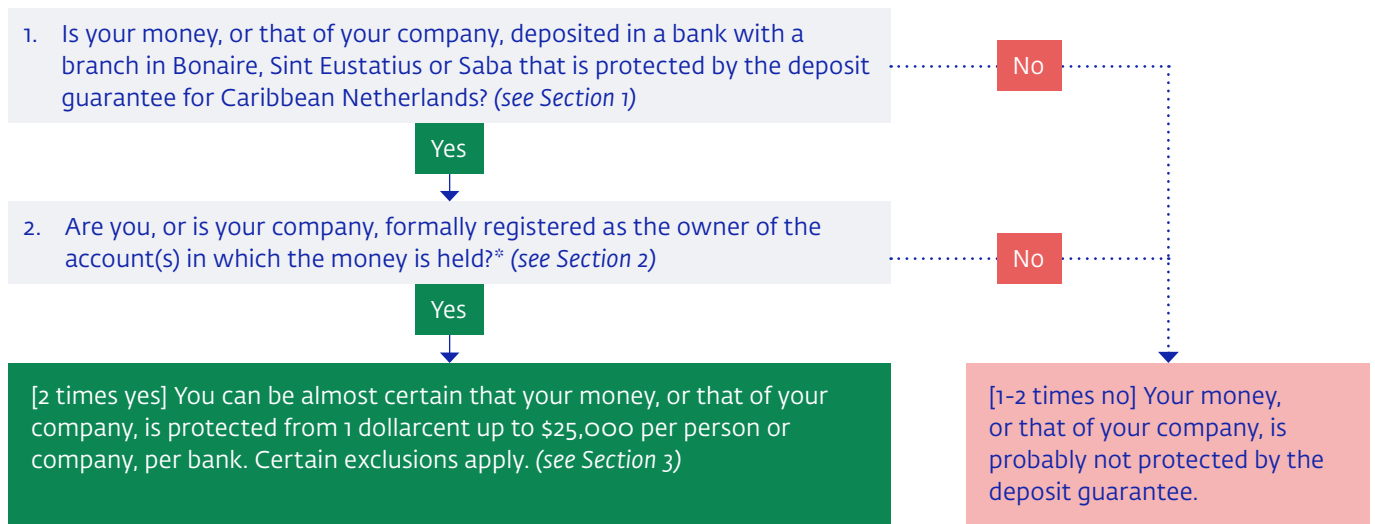
Deposit guarantee in the Caribbean Netherlands ('BES islands')

January 2025

Residents of the public bodies of Bonaire, Sint Eustatius and Saba are protected by the deposit guarantee for the Caribbean Netherlands. The deposit guarantee is a free service that automatically protects the balances of bank customers from 1 cent up to \$25,000 in case a bank runs into difficulties. The deposit guarantee for the Caribbean Netherlands is administered by De Nederlandsche Bank (DNB). This fact sheet provides an overview of the deposit guarantee coverage and explains how the protection works.

Check your protection in two steps

Answer the two questions below to quickly determine whether you, your company, or someone else, is protected under the deposit guarantee for the Caribbean Netherlands (BES islands).



* If your answer to question 2 is "no", you may still be eligible for protection under the deposit guarantee, for instance if you are the third party of a beneficiary account. See section 2 for more on this specific situation.

In a limited number of cases, you may still be excluded from the deposit guarantee, for example if the account is in the name of a financial enterprise. See Section 2 and the Annex for more information on these specific situations.

What is protected by the deposit guarantee?

The deposit guarantee protects money held by account holders at banks with a branch in one of the public entities of Bonaire, Sint Eustatius and Saba that have a licence from De Nederlandsche Bank to operate on these islands. A deposit is money in bank accounts like current accounts, savings accounts and time deposits. If a bank that is protected by the deposit guarantee fails, De Nederlandsche Bank will reimburse eligible bank customers up to the compensation limit. The compensation is limited to a maximum of \$25,000 per person per bank.

The protection is solely for money deposited with banks. This means that the deposit guarantee does not apply to credit unions. DNB's website for the Caribbean

Netherlands (www.dnb.nl/en/caribisch-nederland/) has a register of all licensed banks that you can consult to check whether a bank is indeed protected by the deposit guarantee.

Most banks in the Caribbean Netherlands ('BES islands') are also active in other jurisdictions such as Aruba, Curaçao and Sint Maarten. In such a case, the deposit guarantee for the Caribbean Netherlands only applies to money placed at the branches of this bank in the Caribbean Netherlands, in other words on Bonaire, Sint Eustatius or Saba. Bank customers should therefore always check that their money is deposited with a branch located on Bonaire, St Eustatius or Saba.

Which banks are protected by the deposit guarantee?



The following banks are licensed by De Nederlandsche Bank to operate in the Caribbean Netherlands ('BES-islands'). Deposits held at the branch offices of these banks on Bonaire, St Eustatius and Saba are therefore protected by the deposit guarantee*:

- Banco Di Caribe N.V.
- Maduro & Curiel's Bank (Bonaire) N.V.
- Orco Bank N.V.
- RBC Royal Bank N.V.

The list of banks covered by the deposit guarantee for the Caribbean Netherlands is subject to change. This may for instance happen if a new bank is licensed to launch operations in the Caribbean Netherlands. If in doubt, we would advise you to check with your bank whether your money is covered by the deposit guarantee for the Caribbean Netherlands. DNB's website for the Caribbean Netherlands will always provide an up-to-date list of banks covered by the deposit guarantee for the Caribbean Netherlands.

* Currently, First Caribbean International Bank (Cayman) Ltd. and PSB Bank N.V. are also licensed to provide services in the Caribbean Netherlands. As these two banks have no branch offices in Bonaire, St Eustatius or Saba, the balances held at these banks are not eligible for the deposit guarantee for the Caribbean Netherlands.

Who is protected by the deposit guarantee?

In general, account holders at banks in the public entities of Bonaire, Sint Eustatius and Saba are protected by the deposit guarantee for money deposited with banks that are licensed by De Nederlandsche Bank to operate on these islands. The protection also applies to corporate bank accounts, but the deposit guarantee does not apply to certain account holders. Deposits held by financial corporations and government-related entities, for instance, are excluded. The Annex provides a full list of exclusions.

In certain situations, an account holder can hold a deposit for the benefit of one or more other persons or companies. This is called a beneficiary (or escrow) account. For example, consider a notary's account

in which client funds are held for the purchase and sale of a home. If such a beneficiary account satisfies a number of criteria, this other person or company (the "third party") will be protected by the deposit guarantee, assuming that this other person or company is not excluded from the deposit guarantee.¹ In the case of a beneficiary account, the share of the third party has to be added to the amounts of other bank accounts held by this third party with the same bank.

If a bank account is held in the name of an underage child, it is the underage child that is protected under the deposit guarantee. The protection does not apply to parents (or representatives) who may act on behalf of the child.

¹ The conditions that must be met in order for the protection to apply to other persons or companies are as follows. First, the deposits concerned are held under statutory or contractual provisions that already governed the relationship between the account holder and the other person or company before the deposit guarantee was activated, i.e. in the event of a bank's bankruptcy. Second, the identities of these other persons or companies must be known to the bank or can be established on the basis of the account holder's professionally kept accounting records. Third, the amounts of the deposits must be established on the basis of data recorded before the deposit guarantee was activated.

What amount is protected by the deposit guarantee?

Deposits are protected from 1 cent up to \$25,000 per person or company, per licensed bank. This bank must have a licence to operate as a branch office on Bonaire, Sint Eustatius and Saba. There are two important rules concerning the compensation limit of the deposit guarantee:

Rule 1: The protection applies per person or company, not per account.

The rule means that if a person or company has more than one account with a bank, the compensation limit applies to the total amount of all accounts held by that person or company at that bank. The rule also means that for joint accounts the limit applies to each account holder separately. So, for example, if you have a joint account with your spouse or partner, and no other accounts of your own with that bank, you will each receive up to \$25,000 under the compensation limit. If the bank goes bankrupt, De Nederlandsche Bank will compensate up to \$50,000 for a joint account.

Rule 2: The protection applies per bank (licensed by De Nederlandsche Bank)

This is important, because it could be that a person or company has accounts with multiple banks. These individuals and companies are then protected separately for each bank up to the limit of \$25,000 per bank.² As a general recommendation, individuals and companies should check whether the money they hold in accounts at a particular bank exceeds \$25,000. If this is indeed the case, a person or company could consider spreading the money among separate banks to increase their protection under the deposit guarantee.

² Although this is not currently the case on Bonaire, Sint Eustatius and Saba, it may be possible for a bank to operate more than one brand or trade name under the same banking license. This means persons and companies with accounts held under different brands or trade names with a bank operating under the same banking license will only be entitled to total protection of \$25,000. In case of doubt, a depositor should contact the bank to verify whether there are multiple brands or trade names operated under the same banking license.

Calculation examples

Example 1



- Person A has two accounts with ABC Bank: a current account with a balance of \$10,000 and a savings account with a balance of \$17,000. To calculate the amount protected by the deposit guarantee, the balances on both accounts must be added up. This joint balance is guaranteed up to the compensation limit of \$25,000. The combined amount of person A's balances is \$27,000, of which up to \$25,000 is protected by the deposit guarantee. The remaining \$2,000 is not protected by the deposit guarantee.

Example 2



- Person B has a current account with ABC Bank. The balance of this account is \$15,000. Person B also has a savings account with XYZ Bank. The balance of this account is also \$15,000. The combined amount of these balances is \$30,000. However, the full amount is protected because the money is spread over two banks. If both ABC Bank and XYZ Bank would run into difficulties, person B would receive compensation of \$30,000 from De Nederlandsche Bank under the deposit guarantee.

Example 3



- Persons C and D have a joint payment account with ABC Bank and have verified that the account is registered in both their names ("Person C and/or Person D"). The balance of this account is \$30,000. Persons C and D both own 50% of the payment account and have no other accounts with ABC Bank. To calculate the amount protected by the deposit guarantee, the share of each person in the joint account must first be determined. In a joint account, the account holders will usually have equal shares. This is also the case with Persons C and D. The amount held with ABC Bank (\$15,000 each) is lower than the per-person compensation limit. The balance of \$30,000 is therefore fully protected by the deposit guarantee.

What happens if my bank fails?

If a bank is no longer able to return the money in accounts (deposits) to its customers due to a court ruling, De Nederlandsche Bank is legally obliged to immediately activate the deposit guarantee for the Caribbean Netherlands. This is the case, for example, when a bank is declared bankrupt. Also, without a court ruling, De Nederlandsche Bank itself can determine that a bank is no longer able to return the money in accounts to its customers. In such cases, De Nederlandsche Bank is obliged to activate the deposit guarantee within 21 days of the deposits becoming unavailable. After DNB activates the deposit guarantee for a bank, this will be announced in the local press and on DNB's website.

The announcement will include information on how affected customers can claim their compensation under the deposit guarantee. In most cases this means that DNB will open an office on the islands

where the failed bank offered its services from branch offices. Customers of the failed bank can visit this office to ask questions and apply for compensation (in Papiamentu, Dutch and English).

After the application is received and approved, De Nederlandsche Bank will decide on the compensation and make the funds available as soon as possible, but always within 20 working days after receipt of the application. The bank customer will receive a letter that outlines the decision by De Nederlandsche Bank and explains how the customer will be reimbursed. In most cases, reimbursements can take place by payment to another – existing or newly opened – bank account of the bank customer. If it is not feasible for a bank customer to (quickly) gain access to another bank account, a payout in cash may be considered, although this generally takes more time.

Tasks of De Nederlandsche Bank in the Caribbean Netherlands



De Nederlandsche Bank is not only responsible for managing the deposit guarantee on Bonaire, Sint Eustatius and Saba. Other tasks for De Nederlandsche Bank in the Caribbean Netherlands include payment systems and supervising financial enterprises in the Caribbean Netherlands.

Who pays for the deposit guarantee?

Protection under the deposit guarantee is free of charge for bank customers. If the deposit guarantee needs to be activated, for instance when a bank fails, the costs of compensation will eventually be charged to the other banks protected under the deposit guarantee for the Caribbean Netherlands.

For this purpose, a fund will be set up from 1 January 2025 into which relevant banks will pay an annual contribution. The target size of the deposit guarantee fund is 5% of the deposit bases of banks covered by the deposit guarantee scheme. To ensure that the customers of a failed bank can be compensated without delay, and in case the fund has not yet reached its target size, the Dutch government pre-finances these payouts.³

More information



If you have any other questions about the deposit guarantee for the Caribbean Netherlands, or if you need more information, you can email or call the Information Desk of De Nederlandsche Bank (in Dutch or English). You can use the contact details below.

- www.dnb.nl/en/caribbean-netherlands/
- info@dnb.nl
- DNB's Information Desk is located in Amsterdam in the Netherlands. From the Caribbean Netherlands, please call +31 20 524 91 11 (international number). The Information Desk can be contacted on working days between 9:00 and 17:00 (Dutch time).

³ After a payout has been made, De Nederlandsche Bank steps in to reimburse a depositor's claim against the failed bank (for the part in respect of which the deposit guarantee has made a payment). This is a technical provision that allows the De Nederlandsche Bank to reimburse part or all of the financing provided by the Dutch government and banks.

Annex: Overview of exceptions to protection under by the deposit guarantee

Certain persons, businesses and deposits fall outside the scope of the deposit guarantee, as do certain types of deposits. Table 1 shows the full list of

bank customers and deposits to which the deposit guarantee does not apply.

Table 1: Overview of exceptions to deposit guarantee protection

Deposit holders

The deposit guarantee for the Caribbean Netherlands does not apply to the following bank customers:

- Financial enterprises
- Central, regional and local governments or legal entities established under public law.
- Legal entities belonging to the same group as the failed bank.
- Managing directors of the failed bank or legal entities belonging to the same group (and their spouses, registered partners and underage children).
- Members of the body responsible for supervising the general course of business of the failed bank (or legal entities belonging to the same group) and their spouses, registered partners and underage children.
- Persons holding a minimum of 10% of the share capital of the failed bank (or legal entities belonging to the same group) and their spouses, registered partners and minor children.

Deposits

The deposit guarantee does not apply to the following deposits:

- The deposit guarantee does not apply to the following deposits.
- Deposits held with branch offices based outside of the public entities of Bonaire, Sint Eustatius and Saba.
- Deposits on which the creditor of the failed bank was offered interest rates or financial benefits that contributed towards the bank's failure to meet its financial obligations.
- Deposits relating to transactions that have resulted in a criminal conviction for money laundering or terrorist financing.
- Neither does the deposit guarantee for the Caribbean Netherlands apply to debts ensuing from acceptances or promissory notes issued by the failed bank.

Disclaimer:

This fact sheet aims to provide a comprehensive description of the deposit guarantee for the Caribbean Netherlands (BES Islands). However, it is not intended to be a legal explanation of the laws and regulations governing the deposit guarantee. If you want to know more about the laws and regulations underlying the deposit guarantee for the Caribbean Netherlands, please consult the Financial Markets (BES) Act (*Wet financiële markten BES – Wfm BES*) and the Financial Markets (BES) Decree (*Besluit financiële markten BES – Bfm BES*) The information in this fact sheet is based on the laws and regulations as they applied from January 2025. However, it is possible that the laws and regulations have changed in the meantime, making the information in the fact sheet outdated. Please consult DNB's website for the Caribbean Netherlands (www.dnb.nl/en/caribbean-netherlands/) for the current regulations and the resulting protection offered by the deposit guarantee.