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No. 17

No. 35

THE BANK OF JAMAICA ACT

THE BANK OF JAMAICA (BUILDING SOCIETIES) (CASH RESERVES)
(No. 1) NOTICE, 2019

WHEREAS paragraph (c) of subsection (2) of section 28 of the Bank of Jamaica Act stipulates that in the case of a building society the cash reserves shall be such percentage of its prescribed liabilities in respect of deposits and withdrawable shares as may be prescribed by notice issued by the Bank and published in the *Gazette*.

NOW, THEREFORE, in exercise of the power conferred upon the Bank of Jamaica by paragraph (c) of subsection (2) of section 28 of the Bank of Jamaica Act, notice is hereby given of the following:—

1. This Notice may be cited as the Bank of Jamaica (Building Societies) (Cash Reserves) (No. 1) Notice, 2019.

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2. (a) Subject to paragraphs (c), (d) and (e) below, a percentage of nine *per centum* (9%) has been determined by the Bank of Jamaica in respect of the society, with respect to the liabilities payable in Jamaican currency.
- (b) Subject to paragraphs (c), (d) and (e) below, a percentage of fifteen *per centum* (15%) has been determined by the Bank of Jamaica in respect of the society, with respect to the liabilities payable in foreign currency.
- (c) The cash reserve required to be maintained in accordance with (a) above shall be calculated on liabilities denominated in Jamaican currency only. The cash reserve required to be maintained in accordance with paragraph (b) above shall be calculated on liabilities denominated in foreign currency only.
- (d) Where the society holds assets mentioned in paragraph (f) below of a value of not less than forty *per centum* (40%) of its liabilities in respect of deposits and withdrawable shares payable in Jamaican currency, then in such case and not otherwise, the minimum cash reserve to be maintained in Jamaican currency shall instead be one *per centum* (1%) of such liabilities. For the purposes of determining whether a society holds assets of a value not less than forty *per centum* (40%) of its liabilities in respect of deposits and withdrawable shares payable in Jamaican currency:
- (i) the amount of such assets shall be the average thereof held by the society at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month; and
 - (ii) the amount of such liabilities in respect of deposits and withdrawable shares shall be the average amount of such liabilities at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month.
- (e) Where a society holds assets mentioned in paragraph (f) below of a value of not less than forty *per centum* (40%) of its liabilities in respect of all deposits and withdrawable shares whether payable in Jamaican currency or foreign currency, the minimum cash reserve required to be maintained by the society in foreign currency shall instead be one *per centum* (1%) of such liabilities. For the purposes of determining whether a society holds assets of a value not less than forty *per centum* (40%) of its liabilities in respect of deposits and withdrawable shares payable both in Jamaican currency and foreign currency:
- (i) the amount of such assets shall be the average thereof held by the society at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month; and
 - (ii) the amount of such liabilities in respect of deposits and withdrawable shares shall be the average amount of such liabilities

at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month.

- (f) The assets referred to in paragraphs (d) and (e) above are:
- (i) Balances outstanding on loans made for the purpose of financing the purchase of private residences, improvements and additions thereto and the renovation thereof, with the premises being used as security for such loans;
 - (ii) Mortgage-backed bonds and debentures issued by the National Housing Trust and the Jamaica Mortgage Bank;
 - (iii) Loans made for the purpose of financing the purchase of services lots;
 - (iv) Loans made for the purpose of refinancing residential mortgages; and
 - (v) Loans to individuals for residential building construction.

Where applicable, the foregoing includes the loans or portions thereof that may be funded by the National Housing Trust under the joint financing of mortgages arrangement between the society and the National Housing Trust.

3. Where a society fails to maintain the cash reserves as outlined above, interest shall be calculated on the amount of the deficiency as outlined in subsection (8) of section 28 of the Act.

4. In respect of remuneration of reserve balances with respect to prescribed liabilities payable in foreign currency, the percentage shall be zero *per centum* (0%).

5. The Bank of Jamaica (Building Societies) (Cash Reserves) (No. 2) Notice, 2017 is hereby revoked.

6. This Notice shall take effect on the 1st day of March 2019.

Dated at Nethersole Place, Kingston, this 28th day of February, 2019.

BRIAN WYNTER, CD
Governor.

No. 36

THE BANK OF JAMAICA ACT

THE BANK OF JAMAICA (BUILDING SOCIETIES) (LIQUID ASSETS) (NO. 1) NOTICE, 2019

WHEREAS paragraph (b) of subsection (2) of section 29 of the Bank of Jamaica Act stipulates that in the case of a building society the liquid assets shall be such percentage of its average prescribed liabilities in respect of deposits and withdrawable shares as may be prescribed by notice issued by the Bank and published in the *Gazette*.

NOW, THEREFORE, in exercise of the power conferred upon the Bank of Jamaica by paragraph (b) of subsection (2) of section 29 of the Bank of Jamaica Act, notice is hereby given of the following:—

1. This Notice may be cited as the Bank of Jamaica (Building Societies) (Liquid Assets) (No. 1) Notice, 2019.
2.
 - (a) Subject to paragraphs (c), (d) and (e) below, a percentage of twenty-three *per centum* (23%) has been determined by the Bank of Jamaica in respect of the society, with respect to the liabilities payable in Jamaican currency.
 - (b) Subject to paragraphs (c), (d) and (e) below, a percentage of twenty-nine *per centum* (29%) has been determined by the Bank of Jamaica in respect of the society, with respect to the liabilities payable in foreign currency.
 - (c) The liquid assets required to be maintained in accordance with (a) above shall be calculated on liabilities denominated in Jamaican currency only. The liquid assets required to be maintained in accordance with paragraph (b) above shall be calculated on liabilities denominated in foreign currency only.
 - (d) Where the society holds assets mentioned in paragraph (f) below of a value of not less than forty *per centum* (40%) of its liabilities in respect of deposits and withdrawable shares payable in Jamaican currency, then in such case and not otherwise, the minimum liquid assets to be maintained in Jamaican currency shall be instead five *per centum* (5%) of such liabilities. For the purposes of determining whether a society holds assets of a value not less than forty *per centum* (40%) of its liabilities in respect of deposits and withdrawable shares payable in Jamaican currency:
 - (i) the amount of such assets shall be the average thereof held by the society at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month; and
 - (ii) the amount of such liabilities in respect of deposits and withdrawable shares shall be the average amount of such liabilities at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month.
 - (e) Where a society holds assets mentioned in paragraph (f) below of a value of not less than forty *per centum* (40%) of its liabilities in respect of all deposits and withdrawable shares whether payable in Jamaican currency or foreign currency, the minimum liquid assets required to be maintained by the society in foreign currency shall instead be five *per centum* (5%) of such liabilities. For the purposes of determining whether a society holds assets of a value not less than forty *per centum* (40%) of its liabilities in respect of deposits and withdrawable shares payable both in Jamaican currency and foreign currency:

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- (i) the amount of such assets shall be the average thereof held by the society at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month; and
 - (ii) the amount of such liabilities in respect of deposits and withdrawable shares shall be the average amount of such liabilities at the close of business on Wednesdays of each of the four consecutive weeks ending with the last Wednesday but one of the preceding month.
- (f) The assets referred to in paragraphs (d) and (e) above are:
- (i) Balances outstanding on loans made for the purpose of financing the purchase of private residences, improvements and additions thereto and the renovation thereof, with the premises being used as security for such loans;
 - (ii) Mortgage-backed bonds and debentures issued by the National Housing Trust and the Jamaica Mortgage Bank;
 - (iii) Loans made for the purpose of financing the purchase of services lots;
 - (iv) Loans made for the purpose of refinancing residential mortgages; and
 - (v) Loans to individuals for residential building construction.

Where applicable, the foregoing includes the loans or portions thereof that may be funded by the National Housing Trust under the joint financing of mortgages arrangement between the society and the National Housing Trust.

3. Where a society fails to maintain the liquid assets as outlined above, interest shall be calculated on the amount of the deficiency as outlined in subsection (8) of section 29 of the Act.

4. The Bank of Jamaica (Building Societies) (Liquid Assets) (No. 1) Notice, 2018 is hereby revoked.

5. This Notice shall take effect on the 1st day of March 2019.

Dated at Nethersole Place, Kingston, this 28th day of February, 2019.

BRIAN WYNTER, CD
Governor.

