



THE
JAMAICA GAZETTE
SUPPLEMENT

PROCLAMATIONS, RULES AND REGULATIONS

574E

Vol. CXLIV

THURSDAY, APRIL 22, 2021

No. 37B

No. 56B

THE BANK OF JAMAICA ACT

THE BANK OF JAMAICA (DEALINGS IN FOREIGN CURRENCY)
(ELIGIBLE COLLECTIVE INVESTMENT SCHEMES) (EXEMPTION)
ORDER, 2021

In exercise of the power conferred upon the Minister by section 22C of the Bank of Jamaica Act, the following Order is hereby made:—

1. This Order may be cited as the Bank of Jamaica (Dealings in Foreign Currency Instruments) (Eligible Collective Investment Schemes) (Exemption) Order, 2021.
2. “Eligible Collective Investment Scheme” means a Collective Investment Scheme registered under regulation 4 of the Securities (Collective Investment Schemes) Regulations but does not include a self-managed Collective Investment Scheme.

“Eligible Securities Dealer” shall mean a securities dealer licensed under the Securities Act and who has been certified in writing by the Bank of Jamaica as having met the requirements for the submission of a Foreign Currency Investment Position and continuously complies with quarterly reporting requirements specified by the Bank of Jamaica.

“Exempt Instruments” means securities or instruments issued by the Government of Jamaica or issued or expressly guaranteed by the Governments of the United States of America, Canada and the United Kingdom.

“Foreign Currency Instrument” shall have the meaning as under the Bank of Jamaica Act;

“Investment Grade” refers to the following credit ratings assigned to any foreign currency debt instrument or the issuers thereof referred to in the First Schedule by the following Credit Rating Agencies:

- (a) Credit Ratings issued by Standard and Poor’s as BBB- or above;
- (b) Credit Ratings issued by Fitch Rating Agency as BBB- or above;
- (c) Credit Ratings issued by Moody’s Rating Agency as Baa3 or above;
- (d) Credit Ratings issued by Caribbean Information and Credit rating Services Limited as at least “Good” for the Jamaica national long-term rating scale or at least “Strong” on the Jamaica national short-term rating scale.

“Specified Limit” shall mean the total value in United States Dollars of Exempt Instruments established by the Bank of Jamaica and advised to each Eligible Collective Investment Scheme calculated by reference to the Exempt Instruments held at December 31, 2013 by the Eligible Securities Dealer that manages the Eligible Collective Investment Scheme.

3. With effect from July 1, 2014 and subject to paragraph 4 of this Order, Eligible Collective Investment Schemes shall, in relation to investments in Exempt Instruments be exempted from:

- (a) the prohibition imposed by subsection (2) of section 22A of the Bank of Jamaica Act on carrying on the business of buying, selling, borrowing or lending foreign currency instruments in Jamaica; and
- (b) the prohibition imposed by subsection (3) of section 22A of the Bank of Jamaica Act on borrowing or lending foreign currency instruments in a transaction involving the payment of Jamaican currency.

4. An Eligible Collective Investment Scheme may purchase or otherwise acquire Exempt Instruments provided that the Eligible Collective Investment Scheme’s holdings of Exempt Instruments shall not, immediately after the purchase or acquisition, exceed the Specified Limit which limit may be varied in writing by the Bank of Jamaica from time to time.

5. With effect from 01 July 2014, Eligible Collective Investment Schemes may acquire the instruments named at (i), (iii) and (v) in the First Schedule ("First Schedule Instruments") subject to the terms of the Second Schedule.

5A. With effect from 30 April, 2021, all Eligible Collective Investment Schemes shall also be exempted from the prohibitions described in paragraph 3 above with respect to the buying, selling, borrowing or lending of the foreign currency debt instruments named at (ii), (iv), (vi), (vii), (viii), (ix) and (x) in the First Schedule ("First Schedule Instruments"), provided that such Eligible Collective Investment Scheme meets the conditions specified in the Second Schedule.

FIRST SCHEDULE

- (i) Investment grade sovereign foreign currency debt instruments in all currencies;
- (ii) Bank of Jamaica certificates of deposit denominated in foreign currency;
- (iii) Investment grade corporate foreign currency debt instruments in all currencies issued by corporate entities incorporated outside of Jamaica;
- (iv) Corporate foreign currency debt instruments in all currencies issued by corporate entities incorporated outside of Jamaica and which instruments are guaranteed by an entity that is rated as investment grade;
- (v) Publicly traded shares of corporate entities incorporated outside of Jamaica whose debts are rated as investment grade;
- (vi) Publicly traded shares of corporate entities incorporated outside of Jamaica with shares issued in United States Dollars, Great Britain Pounds, Euro or Canada Dollars, and with market capitalisation of US\$10 billion or greater (i.e. "large-cap" stocks);
- (vii) Investment grade corporate foreign currency debt instruments in all currencies issued by corporate entities incorporated in Jamaica that are earners of foreign exchange;
- (viii) Corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica that are earners of foreign exchange and which instruments are guaranteed by an entity that is rated as investment grade or guaranteed by an entity that is rated by CariCRIS as at least "Good" on the Jamaica national long term rating scale; and
- (ix) Publicly traded shares of corporate entities incorporated in Jamaica with shares issued in United States Dollars, Great Britain Pounds, Euro or Canada Dollars, that are earners of foreign exchange, and whose debts are rated by credit rating agencies as investment grade or rated by CariCRIS as at least "Good" on the National long-term rating scale.
- (x) Government of Jamaica guaranteed corporate foreign currency debt instruments issued by corporate entities incorporated in Jamaica.

SECOND SCHEDULE

- (i) An Eligible Collective Investment Scheme may purchase or otherwise acquire First Schedule Instruments provided that the aggregate value in United States Dollars of holdings of First Schedule Instruments:
- (a) of the Eligible Securities Dealer that manages the Eligible Collective Investment Scheme;
 - (b) of all Eligible Collective Investment Schemes managed by that Eligible Securities Dealer; and
 - (c) of funds managed on a discretionary basis by that Eligible Securities Dealer on behalf of its customers
- shall not, immediately after the purchase or acquisition, exceed 25% of the aggregate value in United States Dollars of:
- (d) the total assets of the Eligible Securities Dealer that manages the Eligible Collective -Investment Scheme,
 - (e) the total assets of all Eligible Collective Investment Schemes managed by that Eligible Securities Dealer and
 - (f) the total assets of funds managed on a discretionary basis by that Eligible Securities Dealer on behalf of its customers.
- (ii) Any Eligible Collective Investment Scheme holding in excess of the quantities of First Schedule Instruments at (i) above shall not purchase or otherwise acquire any additional First Schedule Instruments unless the Eligible Collective Investment Scheme receives the Bank of Jamaica's written authorization.

Dated the 14th day of April, 2021.

NIGEL CLARKE, DPhil, MP
Minister of Finance and the Public Service.