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SUPPLEMENT

PROCLAMATIONS, RULES AND REGULATIONS

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No. 37A

No. 56A

THE BANK OF JAMAICA ACT

THE BANK OF JAMAICA
(DEALINGS IN FOREIGN CURRENCY) (EXEMPTED SECURITIES DEALERS)
(INVESTMENT GRADE INSTRUMENTS) (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) (Exempted Securities Dealers) (Investment Instruments) (Exemption) Order, 2021.

2. "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.

“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.

3. With effect from 01 July 2014, all Eligible Securities Dealers shall 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 with respect to the buying, selling, borrowing or lending, in relation to the foreign currency instruments named at (i), (iii) and (v) in the First Schedule (“First Schedule Instruments”), provided that such Eligible Securities Dealer meets the conditions specified in the Second Schedule.

3A. With effect from 30 April, 2021, all Eligible Securities Dealers 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 Securities Dealer meets the conditions specified in the Second Schedule.

4. All Eligible Securities Dealers shall, in relation to investments in securities or other instruments issued by the Government of Jamaica or issued or expressly guaranteed by the Governments of the United States of America, Canada or the United Kingdom, continue to 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.

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 Securities Dealer may purchase or otherwise acquire First Schedule Instruments provided that the Eligible Securities Dealer's total holdings of First Schedule Instruments shall not immediately after the purchase or acquisition, exceed 25% of the aggregate value in United States Dollars of:
- (a) The total assets of the Eligible Securities Dealer;
 - (b) The total assets of all Eligible Collective Investment Schemes managed by that Eligible Securities Dealer;
 - (c) The total assets of all other funds managed on a discretionary basis by that Eligible Securities Dealer on behalf of its customers; and
 - (d) In the case of a single Eligible Securities Dealer-parent with one or more Eligible Securities Dealer operating as its subsidiary, the aggregate of that parent's Eligible Securities Dealer-subsidaries' assets and funds managed on behalf of the customers of those subsidiaries.
- (ii) Any Eligible Securities Dealer 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 Securities Dealer 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.