



THE
JAMAICA GAZETTE
SUPPLEMENT

PROCLAMATIONS, RULES AND REGULATIONS

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FRIDAY, NOVEMBER 8, 2019

No. 150A

No. 229A

Extract from the Minutes of the meeting of the House of Representatives held on the 29th day of October, 2019:

PUBLIC BUSINESS

The Honourable Dr. Nigel Clarke, Minister of Finance and the Public Service, having obtained suspension of the Standing Orders, moved:

THE BANKING SERVICES ACT

THE BANKING SERVICES (FINANCIAL HOLDING COMPANIES) (LICENSING APPLICATION FORM) SUPERVISORY RULES, RESOLUTION, 2019

WHEREAS, by virtue of section 132(1) of the Banking Services Act (hereinafter referred to as "the Act"), the Supervisory Committee may make rules for the operation of licensees to be known as "the Supervisory Rules" and, without prejudice to the foregoing, such Rules may make provision in relation to the forms for applications and notices and such other matters as may be specified under this Act;

AND WHEREAS on the 29th day of October, 2019, the Supervisory Committee made the Banking Services (Financial Holding Companies)(Licensing Application Form) Supervisory Rules, 2019;

AND WHEREAS it is provided by section 132(3) of the Act that the Supervisory Rules made under section 132(1) of the Act shall be subject to affirmative resolution:

NOW, THEREFORE, BE IT RESOLVED by the House of Representatives and the Senate as follows—

- (i) This Resolution may be cited as the Banking Services (Financial Holding Companies)(Licensing Application Form) Supervisory Rules, 2019, Resolution;
- (ii) The Banking Services (Financial Holding Companies)(Licensing Application Form) Supervisory Rules, 2019, which were laid on the Table of the House on the 29th day of October, 2019, are hereby affirmed.

Mr. Mark Golding, Mrs. Marlene Malahoo Forte and Dr. Morais Guy also spoke on the resolution.

Seconded by: Mr. Leslie Campbell.

Agreed to.

I certify that the above is a true extract from the Minutes.

VALRIE A. CURTIS, BH(M), JP,
Deputy Clerk
for Clerk to the Houses

No. 229B

Extract from the Minutes of the meeting of the Senate held on the 8th day of November, 2019:

PUBLIC BUSINESS

The Honourable Senator Pearnel Charles, Jnr., Minister without Portfolio in the Ministry of Economic Growth and Job Creation and acting Leader of Government Business, moved:

THE BANKING SERVICES ACT

THE BANKING SERVICES (FINANCIAL HOLDING COMPANIES) (LICENSING APPLICATION FORM) SUPERVISORY RULES, RESOLUTION, 2019

WHEREAS, by virtue of section 132(1) of the Banking Services Act (hereinafter referred to as "the Act"), the Supervisory Committee may make rules for the operation of licensees to be known as "the Supervisory Rules" and, without prejudice to the foregoing, such Rules may make provision in relation to the forms for applications and notices and such other matters as may be specified under this Act;

AND WHEREAS on the 29th day of October, 2019, the Supervisory Committee made the Banking Services (Financial Holding Companies)(Licensing Application Form) Supervisory Rules, 2019;

AND WHEREAS it is provided by section 132(3) of the Act that the Supervisory Rules made under section 132(1) of the Act shall be subject to affirmative resolution:

NOW, THEREFORE, BE IT RESOLVED by the House of Representatives and the Senate as follows—

- (i) This Resolution may be cited as the Banking Services (Financial Holding Companies)(Licensing Application Form) Supervisory Rules, 2019, Resolution;
- (ii) The Banking Services (Financial Holding Companies)(Licensing Application Form) Supervisory Rules, 2019 which were laid on the Table of the Senate on the 1st day of November, 2019, are hereby affirmed.

Senator Donna Scott-Mottley and Senator Lambert Brown also spoke on the resolution.

Seconded by: Senator Charles Sinclair.

Agreed to.

I certify that the above is a true extract from the Minutes.

VALRIE A. CURTIS, BH(M), JP,
Deputy Clerk
for Clerk to the Houses

No. 229C

THE BANKING SERVICES ACT

THE BANKING SERVICES (FINANCIAL HOLDING COMPANIES) (LICENSING APPLICATION FORM) SUPERVISORY RULES, 2019

In exercise of the power conferred upon the Supervisory Committee by section 132(1) of the Banking Services Act, and of every other power hereunto enabling, the following Rules are made:—

1. These Rules may be cited as the Banking Services (Financial Holding Companies) (Licensing Application Form) Supervisory Rules, 2019.

2. In these Rules—

“applicant” means a company which makes an application under subsection 19(2) of the Act, to function as a financial holding company;

“global group” means a group offering financial services in several countries, including a financial holding company in Jamaica which

is the subsidiary of an ultimate holding company incorporated outside of Jamaica;

“Home Country Supervisor” means a foreign financial regulatory authority with responsibility for conducting consolidated supervision of the global group, of which the applicant is a member;

“ultimate individual” means—

- (a) in relation to ownership, the ultimate natural beneficial owner; and
- (b) in relation to control, the ultimate natural person who exercises control;

“wider group” includes non-financial entities which are affiliated with a financial group.

Schedule. 3.—(1) Pursuant to section 19(3), an application by a company, to function as a financial holding company shall be made in the form set out in the Schedule.

(2) The application shall satisfy the licensing and other requirements specified in the Act or any regulations made under the Act.

4.—(1) The Supervisory Committee may, in writing, request any additional information that is needed for the assessment of the application.

(2) The application shall not be considered unless the requisite documents and any additional information that is needed for the assessment of the application are submitted by the applicant, by the date specified by the Supervisory Committee.

(3) The information contained in, or accompanying the application shall, if required by the Supervisory Committee, be verified by statutory declaration.

(4) The Supervisory Committee may defer any decision on the application until it receives the statutory declaration required under paragraph (2).

(5) The application may lapse if the applicant does not submit the statutory declaration required under paragraph (2) upon the expiration of a reasonable period within which to do so, as notified by the Supervisory Committee.

(6) Where, in the opinion of the Supervisory Committee, an application is incomplete, the Supervisory Committee may request the applicant, by a date specified by the Supervisory Committee, in writing, to—

- (a) submit the completed application; or

(b) provide the additional information required to complete the assessment.

5. Where a request for information is made by the Supervisory Committee and the information requested is not received by the date specified by the Supervisory Committee, the assessment of the application may be discontinued and the Supervisory Committee shall inform the applicant, in writing, of the discontinuation.

SCHEDULE

(Regulation 3(a))

THE BANKING SERVICES (FINANCIAL HOLDING COMPANIES) (LICENSING
APPLICATION FORM) SUPERVISORY RULES, 2019*Application for Licence to Function as a Financial Holding Company
(under section 19(2))*

Application No.:

Application Date:

1. Background Information		
1.1 Name of Applicant:		
1.2 Address of Registered Office of Applicant:		
1.3 Date of Incorporation:	1.4 Country of Incorporation:	1.5 Taxpayer Registration Number (TRN):
1.6 Telephone Number:	1.7 Fax Number:	1.8 E-mail address:
1.9 Website Address:		
1.10 Indicate the financial year end of the applicant (dd/mm):		
1.11 Indicate the financial year end of the immediate parent company of the applicant (dd/mm) (where applicable)		
1.12 Indicate whether you propose to function as an operating company <input type="checkbox"/> Yes <input type="checkbox"/> No		
1.13 Attach the following documents for all members of the financial group—		
(a) a certified copy of the certificate of incorporation.	Attached <input type="checkbox"/>	
(b) articles of incorporation or equivalent documents.	Attached <input type="checkbox"/>	

SCHEDULE, *contd.*

1.14 Particulars of Audit Firm:

Name:	
Address:	
Name of Contact Person:	

1.15 Attorney-at-law of Applicant:

Name:	
Address:	
Name and address of Home Supervisor:	

2. Ownership and Group Structures

2.1 State the name, address and principal business activities of any parent company of the applicant. Provide details of the amount and value of the shareholding of the parent company of the applicant.

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2.2 Provide the name of the stock exchange(s) on which the parent(s) at paragraph 2.1. is listed, if applicable.

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Provided

SCHEDULE, *contd.*

- 2.3 Provide a chart structure which clearly outlines the relationships among all the connected entities within the financial group of which the applicant is the head. The chart should highlight any holding entity with controlling interest, or with the ability to exercise significant influence over the applicant or over any other entity within the financial group that conducts activities or businesses that are considered material or critical to the financial group's operations. (Refer to the definition of "connected person" in section 2(1) and 2(2) of the Banking Services Act).

Provided

- 2.4 State the names and addresses of all subsidiaries, affiliates or other bodies, partnerships and unincorporated associations that are connected with the applicant and provide details of the nature of the applicant's connection with these entities. Explain the nature of the business and principal activities of these subsidiaries, affiliates and other connected bodies and indicate which ones are considered material to the activities of the financial group.

- 2.5 Provide a list of all the entities within the financial group that are regulated or supervised, and the name and address of the relevant Supervisory Authority or Authorities in each case. (Refer to the definition of "financial group" in section 2(1) of the Banking Services Act).

- 2.6 Where applicable, briefly describe the functions of the Home Country Supervisor to which the applicant will or may be accountable, including—
- (a) the extent to which the authority exercises global consolidated supervision;

SCHEDULE, *contd.*

- (b) the manner in which the authority supervises the global banking group to ensure it remains compliant and operates in a safe manner.

2.7 Give details of the frequency and scope of on-site examinations conducted by the home country supervisory authority and the date of the most recent examination.

Provided

2.8 Provide details on persons who will, whether alone or jointly, possess or control 5% or more of the shares or voting power in the applicant to include—

- (a) in the case of an individual, details of the name, nationality, occupation, address (home and business), shareholding and voting power in the applicant;
- (b) in the case of a legal person, the name, registered address, nature of business, shareholding and voting power in the applicant; and
- (c) the number, type, class and value of shares held in each case.

2.9 If there are no such persons as required by paragraph 2.8, provide similar details on each of the 10 largest shareholders, grouping together immediate relatives, and “connected persons” as specified in section 2(2) of the Banking Services Act, where possible.

2.10 In cases where a legal entity owns 50% or more of the applicant, the applicant shall provide similar details as in 2.9 above, for all the ultimate individuals who

SCHEDULE, *contd.*

hold 20% or more of the voting power in the entity or the ultimate individuals who have effective control thereof.

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Provided

- 2.11 For those listed at either paragraph 2.8, 2.9 or 2.10, provide details of the personal and business history (financial or otherwise) along with certified copies of the last three years' financial statements (for all business interests) or statement of affairs, as the case may be. Additionally, attach the "Personal Questionnaire for Connected Persons" for these individuals along with a current passport size photograph.

Personal Questionnaire for Connected Person	<input type="checkbox"/>	Attached
Current Passport Size Photograph	<input type="checkbox"/>	Attached

- 2.12 Has the applicant or its owners ever been refused, had revoked, or discontinued an application for any licence, membership, authorization, registration or other permission granted by a regulator or government body in Jamaica or overseas?

Yes No

- 2.13 If the response to paragraph 2.12 is in the affirmative, provide details of the event(s) including references to the type and date of event(s), outcome(s), and explanation of the circumstances.

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- 2.14 Has the applicant, any of its subsidiaries, its parent entity, any related subsidiary, associated company or a director of any of the foregoing, been convicted in a court or censured or reprimanded by a regulator of financial services or other regulatory authority (whether in Jamaica or overseas) during the last 7 years, or

SCHEDULE, *contd.*

are there any proceedings now ongoing which may lead to such an outcome? If so give details including reference to the type and date of event (s), outcome and explanation of the circumstances.

3 Financial Resources and Strength

- 3.1 For the consolidated financial group of which the applicant is the head and all its member entities, provide: copies of audited financial statements (including Balance Sheet, Profit and Loss, Cashflow Statement., Auditor's Report and Notes) for the last three years. In any case provide "in-house" financials for the current operating period.

Attached

- 3.2 Where the applicant is part of a global group, include, in response to paragraph 3.1, the global group's audited consolidated financial statements for the same period.

Attached

- 3.3 Provide the following regarding the applicant's capital accounts—

- (a) authorized capital;
- (b) subscribed capital;
- (c) paid up capital;
- (d) details of types or classes of shares.

Provided

4 Strategic Plans and Projections

- 4.1 Provide a detailed Strategic Plan directing the financial group of which the applicant is the head.

SCHEDULE, *contd.*

- 4.2 Provide the following in relation to the operations of the financial group— details regarding the applicant: financial, operational linkages and interdependencies between the activities in Jamaica and the regional and international operations, where applicable. Where such linkages are considered to be significant, elaborate on assessment of external factors or internal constraints that could impact such linkages and interdependencies.

- 4.3 Indicate whether the financial group or wider group of which the applicant is a part, is undergoing significant changes (locally or in a country other than Jamaica) e.g. merger, restructuring or expansion in particular business areas or markets and whether any such changes are currently being contemplated. Outline and elaborate on how these changes may affect the operations in Jamaica.

5 Governance Structure and Arrangements, Risk Management and Internal Controls

- 5.1 Attach an organizational chart of the applicant and its subsidiaries and where possible, elaborate on the lines of reporting and accountability within the financial group and lines extending to the global group, if applicable.

Attached

- 5.2 Provide the name, address, nationality, occupation and responsibilities of each director and officer of the applicant and entities within the financial group. (Indicate if any person named above is, or is to be, an executive or non-executive director). Also highlight whether any of these persons are employed or contracted

SCHEDULE, *contd.*

to any entity in the financial group or its affiliates, or hold 5% or more of the shares of any entity in the financial group or its affiliates.

5.3 Provide the name, nationality, occupation, responsibilities and address of key employees across the financial group.

5.4 Provide, in relation to each director, officer and key employee of the applicant and members of the financial group (other than the Deposit Taking Institution in that group) a completed "Personal Questionnaire for Connected Person" and related attachments.

- Personal Questionnaire for Connected Person Attached
- Current Passport Size Photograph Attached
- Any policy regarding the appointment of officers. Attached

Compliance

5.5 Provide clear details of the organizational structure, resources and reporting lines to govern the compliance function for the financial group for which the applicant is, or will be the head. Also provide a comprehensive compliance manual that may be in place in this regard.

Compliance Manual(s) Attached

Internal Audit

5.6 Provide clear details regarding the Internal Audit function for the financial group of which the applicant is, or will be the head, including an overview of the methodology, the resources employed and the relevant reporting and accountability structures across the financial group.

SCHEDULE, *contd.*

Risk Management

- 5.7 Provide clear details of the group-wide risk management framework, systems and procedures for the financial group for which the applicant is, or will be the head, the resources employed and the relevant reporting and accountability structure across the financial group. In addition, attach the relevant risk management policies, where applicable (see paragraph 5.8)—

- 5.8 If the response to paragraph 1.12 is yes and the applicant is not a Deposit Taking Institution under the Banking Services Act, then the key policies and procedures governing, or that would govern the applicant's operation or intended operation, which address areas such as indicated below (where applicable) should also be attached:—

- | | |
|---|-----------------------------------|
| (i) Credit/Lending | <input type="checkbox"/> Attached |
| (ii) Concentration Risk | <input type="checkbox"/> Attached |
| (iii) Group-wide Liquidity Risk | <input type="checkbox"/> Attached |
| Management including the following— | |
| - Funding Concentration/Diversification | |
| - Collateral Management | |
| - Intra-day Liquidity | |
| (iv) Group-wide Operational Risk | <input type="checkbox"/> Attached |
| (v) Group-wide Outsourcing | <input type="checkbox"/> Attached |
| (vi) Group-wide Business Continuity | <input type="checkbox"/> Attached |
| (vii) Group-wide Capital Management | <input type="checkbox"/> Attached |
| (viii) Legal and reputational risk across the group | <input type="checkbox"/> Attached |
| (ix) Abuse of Financial Services | <input type="checkbox"/> Attached |
| (x) Remuneration | <input type="checkbox"/> Attached |

SCHEDULE, *contd.*

- (xi) Code of business conduct used across the group Attached
- (xii) Other policies/procedures of significance (if any, list below) Attached

Corporate Governance

5.9 Provide information regarding the composition of the applicant's Board. This should include notes highlighting instances where directors of the applicant's Board have involvement in other entities within the financial group and whether any Board member resides outside of Jamaica.

Attached

5.10 Attach policies and procedures related to Corporate Governance across the financial group.

Attached

System

5.11 Provide details of the Information Technology ("IT") systems in use across the financial group and highlight whether any of these systems are undergoing significant alterations, or are expected to be significantly altered in the near future.

5.12 Provide details of any proposed external/or intra-group outsourcing arrangements to support the financial group's operations. These details shall include, at a minimum—

- (a) supplier identity and location (indicating whether the supplier is in any way connected to the financial group);
- (b) the rationale for the outsourcing arrangement;
- (c) details of the due diligence and selection process;
- (d) business continuity plans, in the event the outsourced service provider experiences an adverse situation.

SCHEDULE, *contd.*

5.13 Provide details of any proposed external/or intra-group outsourcing arrangements to support the applicant's proposed operations. These details shall include, at a minimum—

- (a) supplier identity and location (indicating whether the supplier is in any way connected to the applicant);
- (b) the rationale for the outsourcing arrangement;
- (c) details of the due diligence and selection process;
- (d) business continuity plans in the event the outsourced service provider experiences an adverse situation.

5.14 Attach copies of service level agreements (SLAs) or other contractual arrangements for each outsourced activity, current or pending, across the financial group.

Attached

Indicate the number of SLAs attached.

5.15 Attach the outsourcing policies for members of the financial group and/or the financial group-wide outsourcing policy.

Indicate the number of policies attached.

Attached

SCHEDULE, *contd.*

- 5.16 Attach the business continuity plans and policies for members of the financial group or the financial group-wide plan and policy regarding business continuity.

Indicate the number of plans/policies attached.

Attached

Crisis Management

6. Attach the Crisis Management Plan for the financial group which shall include—
- (a) all particulars regarding plans for the recovery and resolution of entities within the financial group, of which the applicant is or will be the head.
 - (b) a clear description of how early warning systems are integrated into the applicant's risk management framework to inform recovery efforts.
 - (c) the range of recovery options, which correspond to various adverse situations which may affect the entities within the financial group (including capital and liquidity shortfalls).

Attached

- 6.1 In respect of the global group, are there existing recovery and resolution plans which extend to the operations across the financial group of which the applicant is or will be the head? Also indicate whether these plans have been approved by or shared with the Home Country Supervisor. If so, explain how the operations of the financial group of which the applicant is or will be the head, will fit into the global group's recovery efforts.

Notes 1: It should not be assumed that information is known to the Supervisory Committee and/or the Bank of Jamaica merely because it is in the public domain or has previously been disclosed to the Supervisory Committee and/or the Bank of Jamaica or another regulatory body.

SCHEDULE, *contd.*

Note 2: The provision of materially misleading or false information in an application for a licence under the BSA can unfavourably impact the declarant's fitness and propriety. A person who is not fit and proper and who continues to act, operate or function, as a director or be concerned directly or indirectly, in the management or key functions of a licensee under the BSA, commits an offence (See section 38(2)(a) of the Banking Services Act).

I/We hereby apply for a financial holding company licence under section 19(2) of the Banking Services Act for the abovementioned company to carry on the business described in this Application. I/We certify to the best of my/our knowledge and belief that all the information given in this application and contained in the supporting statements and documentation submitted is true and correct.

 Signature

 Signature

 Name and Position

 Name and Position

 Director/Secretary

 Director/Secretary

 Date

 Date

Dated this 29th day of October, 2019.

Chairman of the Supervisory Committee

Approved by:

NIGEL CLARKE
Minister of Finance and the Public Service