



**APPROVAL NO. xxxxx**

APPROVAL IS HEREBY GRANTED to xxxxxxxxxxxxxxxxxxxxxxxxxxxx by Bank of Jamaica (the Bank), acting on behalf of the Minister of Finance and Public Service (the Minister), pursuant to the provisions of the Bank of Jamaica Act (the Act), to operate an exchange bureau in the form of a Cambio, at premises situated at xxxxxxxxxxxxxxxxxxxxxxxx in the parish of xxxxxxxx in accordance with the Directions set out below, which are issued pursuant to section 22B of the Act. By this approval you are entitled to purchase and sell foreign currency subject as provided in the said Directions. For the avoidance of doubt, this approval does not entitle you to conduct the business of borrowing or lending in foreign currency.

In these Directions “foreign currency” includes foreign currency instruments as defined in the Act.

In accordance with the provisions of Part IVA of the Act, the Bank HEREBY DIRECTS, for and on behalf of the Minister that you implement and adhere to the following operations, procedures and practices:

**A. Purchase and Sale of Foreign Currency**

1. You are entitled to purchase foreign currency from, and sell foreign currency to, any person.
2. Foreign currency in any form may be purchased and sold by you in unlimited amounts.
3. The rates at which you purchase and sell foreign currencies shall be determined by you and must be conspicuously displayed at the cambio premises at all times when business is being conducted there.
4. At the end of any business day you must be holding no more than seven (7) days’ gross purchases for all currencies expressed in the USD equivalent of all currencies.

5. You are not permitted to sell foreign exchange in excess of amounts purchased (i.e. hold a short foreign currency position at the end of any business day).
6. Receipts in the form prescribed by the Bank for this purpose, are to be issued by you to persons/entities from whom you purchase and to whom you sell foreign currency.
7. Surrender to the Bank
  - a. Cambios are required to surrender to the Bank a percentage of their daily gross foreign exchange purchases from commercial clients (this excludes purchases from authorized dealers, cambios or the Bank) in accordance with the limits advised by the Bank from time to time.
  - b. Surrenders can be made in either United States Dollar (USD), Canadian Dollar (CAD), Great Britain Pound (GBP) or Euro (EUR). Surrenders for CAD, GBP and EUR purchases may be made in USD and must be converted at cross currency rates derived from the respective BOJ published weighted average buying rates on the day of purchase.
  - c. There is no provision in place for surrenders to be made in CAD, GBP or EUR where USD was purchased.**
  - d. The surrender exchange rate for each of the four currencies shall be determined by the Bank and advised to you from time to time.
  - e. Foreign currency sold by you to the Bank in accordance with paragraph (7a) must be remitted in accordance with guidelines set by the Bank and advised to you from time to time.

## **B. Reporting**

8. You are required to report daily on the Electronic Gateway for Auctions, Trades and Foreign Exchange (e-Gate<sup>®</sup>), by a time specified by the Bank, the following:
  - a. The opening and closing rates for each business day;
  - b. The opening foreign exchange position for each currency held at start of each business day.<sup>1</sup>

---

<sup>1</sup> Effective date to be advised.

- c. Commercial Client Transactions (trades with individuals or other companies that are not authorized to trade in foreign currency).
    - i. Transactions  $\geq 100,000$  in each currency must be reported via e-Gate<sup>®</sup> individually and in real time (as soon as the trade is finalized). Details of reports should be in accordance with specifications advised by the Bank from time to time
    - ii. Transactions  $< 100,000$  in each currency may be grouped and reported at the weighted average exchange rates of these transactions, providing the sum of the collated trades does not exceed 100,000 in each relevant currency. These trades must be reported via e-Gate<sup>®</sup> daily in accordance with specifications advised by the Bank from time to time.
  - d. Inter-Dealer Transactions (trades with Authorized Dealers (ADs) and other Cambios)
    - i. All trades must be reported individually and in real time
    - ii. The name of the counterparty must be selected from the list of ADs and cambios in e-Gate<sup>®1</sup>
  - e. Surrenders to the Bank; this should be reported as “Contract” transactions, with “Surrender” selected from the “Purpose” field.
9. If for any reason reporting cannot be done in accordance with the Bank’s specifications on any given day or period, the Bank must be advised in writing, on the same day or the start of the period, with an explanation for the inability to report.

### **C. Accounts**

10. You are required to maintain a proper account in which shall be recorded:
- a. The amount of each foreign currency purchased each day and the price paid therefor;
  - b. The amount of each foreign currency sold each day and the price received therefor; and
  - c. The opening and closing balances of each currency on a daily basis.

---

<sup>1</sup> Effective date to be advised

11. Where approval to operate a cambio is granted to an entity that operates another business, the cambio business must be kept separate and apart from the other business. Separate accounts and other records shall be maintained for the businesses and foreign currency received in respect of transactions undertaken at the cambio shall be kept separate and apart from foreign currency resulting from transactions undertaken in the course of the other business dealings.
12. Where approval is given to an entity that maintains a private foreign currency account, the foreign currency holdings of the cambio are not to be commingled with the funds in the private account unless explicit permission in writing is granted by the Bank.

**D. Examination of Records and Documents**

13. On being requested so to do by an authorized officer or agent of the Bank, you are required to:
  - a. Produce to such officer or agent, for examination, all accounts, books, records and documents relating to the cambio's operations and any foreign currency including travellers' cheques and effects and local currency effects connected with the cambio's operations which may be in your possession;
  - b. Permit such officer or agent to take copies of any such accounts, books, records and documents; and
  - c. Answer any question asked by such officer or agent which, in his opinion, is pertinent to the cambio's operations.

You are required to grant the said authorized officer or agent free unimpeded access to the cambio premises at all reasonable times to facilitate the performance of his/her duties.

**E. Location of Cambio**

14. An entity must receive separate approval from the Bank to operate a cambio at each premises.
15. The purchase and sale of foreign currency pursuant to the approval given herein is to be carried on only at the premises hereinbefore designated as the location for the cambio and at no other premises.
16. If you wish to remove the cambio operation to other premises, then you must first apply

to the Bank in writing for permission to do so, giving details of the proposed new location and the reason for the decision to relocate. The cambio operations may be removed to the new location only if permission is granted in writing by the Bank and on payment of the prescribed fee.

17. Where the cambio is located at an airport or seaport, it is a requirement that the cambio remains open for business with adequate staff in attendance at such times and on all such occasions as will satisfy the particular requirements of arriving and departing passengers. The cambio is to be positioned at such location at the airport or seaport as will make it readily visible and easily accessible to arriving and departing passengers.
18. You are required to display conspicuously at the cambio location, at all times when business is being conducted there, the original of the "Certificate of Approval for the Operation of a Cambio" which shall be issued to you by the Bank on the granting (or renewal) of approval and on payment of the prescribed fee.

**F. Change in Company Ownership Status or Name**

19. If the entity to which the Certificate of Approval has been granted is about to undergo a change of ownership, the original approval granted to the former owner/s will be rescinded as Certificates of Approval are non-transferable. The prospective owners may apply to the Bank for a Certificate of Approval. The usual process governing an application for a new approval for the operation of a Cambio will apply to the prospective owners. Therefore the transferors of the company are obliged to:
  - a. Inform the Bank of Jamaica of the fact of change of ownership and details of the transfer three (3) months prior to the date of the transfer
  - b. Surrender the Certificate of Approval to facilitate the issue of a new Certificate.
20. If the company to which the Certificate of Approval has been granted undergoes a name change, application must be made to the Bank in writing for a replacement Certificate on which the new name is to be reflected. The replacement Certificate will be issued upon submission of:
  - a. Copy of the Certificate of Incorporation on Change of Name
  - b. Current Company Status Letter from the Companies Office of Jamaica confirming the Directors and Shareholders of the company,
  - c. The prescribed fee.

**G. Duration/Renewal of Approval and Prescribed Fee**

21. The approval given to you hereunder shall remain valid for one year from the date of issue thereof and, subject to the Bank being satisfied as to the non-occurrence or non-existence of any material breach of these Directions and that no other circumstances exist which would justify non-renewal, may be renewed for successive one year periods on application being made by you, all licensing requirements being satisfied and payment of the prescribed fee.
22. In the event that the company fails to commence operation of the cambio within two (2) months of approval being granted, unless a waiver is applied for and received in writing from the Bank, the Approval given herein shall be revoked automatically.
23. In the event a cambio wishes to suspend operations for any period exceeding two months, a waiver must be applied for and granted in writing by the Bank. Such waivers shall be for a defined period at the sole discretion of the Bank.
24. Upon an Approval to offer cambio services becoming due for renewal, the company shall submit, to the Bank:
  - a. A completed Declaration in Support of an Application for the Renewal of Approval to Operate a Cambio (Declaration). The failure to submit the Declaration (clearly indicating any changes to Operators) by the scheduled renewal date, or the provision of any false or misleading information in regard to Operators on the Declaration, shall constitute grounds for the revocation of the Approval.
  - b. Valid documents from the relevant state agencies confirming tax compliance and ownership of the entity; for the latter, the confirmation must be no later than 6 months. The failure to provide these documents and other documents that may be requested by Bank from time to time, within timelines stipulated by Bank shall constitute grounds for regulatory action not excluding revocation of the Approval.
25. In the event the Approval is revoked by the Bank for non-compliance with the stated Guidelines or other applicable legislation or guidelines, or is surrendered voluntarily, there shall be no refund of fees paid, either in full or in part.

## **H. Operations Under Agency Arrangements**

26. Cambio that operate under Agency Agreements are also subject to the terms of this Approval and any Guidelines relating to acceptable Agency Agreements that may be issued by the Bank from time to time. In any case, where there exists a conflict between the provisions of any Agency Agreement or arrangement and the terms of this Approval, or any Guideline issued by the Bank, the provisions of the Approval or Guidelines, as the case may be, shall prevail.

## **I. Non-compliance**

27. Cambios Operators and their agents are required to operate in accordance with the Act, the Operating Directions and Guidelines or Standards issued there under, the anti-money laundering and combating the financing of terrorism laws and the Guidance Notes on the Detection and Prevention of Money Laundering and Terrorist Financing Activities issued by the Bank.

28. Breach of or failure to comply with any directions given to you from time to time by the Bank will render you liable to administrative sanctions by the Bank, involving the suspension or revocation of Approval or the imposition of a fine. Furthermore, any breach of or failure to comply with Directions issued from time to time, constitutes an offence under Part IVA of the Act and, if proven in a Court of law, will attract the penalties provided for under that Part.

Dated the **dd** day of **mmm**, **yyyy**

---

Division Chief