



BANK OF JAMAICA

STANDARDS OF SOUND BUSINESS PRACTICES

SSBP No.11 GUIDELINES TO FIT AND PROPER ASSESSMENTS

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A. Introduction

- A.1 Deposit-taking institutions should be owned, managed and operated by “fit and proper” persons who maintain high ethical standards, whose conduct and business dealings support a conclusion of overall integrity and probity, and who are competent and qualified to conduct such business. The primary responsibility for ensuring that financial institutions are prudently and soundly managed and directed rests with the institutions themselves. In this regard, the Bank of Jamaica requires that licensees develop and implement, on an on-going basis clear due diligence processes to guide the hiring and appointment of directors, management and all prospective staff members.
- A.2. The law assigns to the Bank of Jamaica a statutory responsibility to assess the fitness and propriety of directors, officers discharging corporate management functions, and significant/influential shareholders¹ of all deposit-taking licensees, their subsidiary entities, their immediate and ultimate parent/holding companies, as well as subsidiaries of the immediate parent company (see paragraph B.1.). Upon completion of this assessment, a recommendation is made to the Minister of Finance and Planning who has the ultimate responsibility for applying or denying an application for licensing and for deeming an individual a “fit and proper” person.
- A.3. The Bank of Jamaica’s fit and proper assessments in relation to management traditionally focussed on holders of senior and middle level management positions (including branch managers), board directors (including the company secretary) and significant shareholders¹. However with the increasing complexity of deposit-taking operations, changing market conditions, competition issues and the high level of risk exposures associated with certain specialised operational positions within licensees, the requirement for due diligence may extend to other officers who occupy sensitive positions which have the potential to significantly impact the organization’s financial health and viability. In that regard, the Bank of Jamaica currently extends fit and proper assessments to all officers operating as traders within the Treasury/Foreign Currency Trading Operations of a licensed entity.
- A.4. These Standards are intended to explain how the Bank of Jamaica applies the fit and proper criteria and to explicitly enunciate the principles utilized in ensuring that deposit-taking entities licensed under their respective legislations² are managed, directed and controlled by persons satisfying these strict fit and proper criteria. The Standards should therefore provide a guide to individuals in

¹ Significant shareholders are defined in the statutes as any shareholder (whether in his/her own right or when counted with any holding of a connected person) holding 20% or more of the voting shares of the company.

² These comprise banks licensed under the Banking Act, financial institutions licensed under the Financial Institutions Act, building societies licensed under the Building Societies Act and credit unions that are to be regulated under the pending Bank of Jamaica (Credit Union Regulations).

understanding and applying the criteria for satisfying the “fit and proper” test and how the Bank of Jamaica performs this assessment.

B. Legal Basis for Fit and Proper Test

B.1. The Banking Act and Financial Institutions Act

Section 4(3) of the Banking Act and Financial Institutions Act states that a licence shall not be granted to any company to carry on banking business in Jamaica unless the Bank of Jamaica makes a recommendation to the Minister stating that every person who is a director of the company or who is to perform corporate management functions in the company or who is a shareholder holding (whether in his/her own right or when counted with any holding of a connected person) 20% or more of the voting shares of the company, is a fit and proper person for that purpose, that is to say, he/she is a person-:

- (a) Who, whether in Jamaica or elsewhere-:
 - (i) Has not been convicted of an offence involving dishonesty; or
 - (ii) Is not an un-discharged bankrupt; or

- (b) Whose employment record does not give the Bank of Jamaica reasonable cause to believe that the person carried out any act involving dishonesty or impropriety in the handling of banking business;

- (c) Who, in the opinion of the Bank of Jamaica, is a person of sound probity, is able to exercise competence, diligence and sound judgment in fulfilling his responsibilities in relation to the financial institution and whose relationship with the financial institution will not threaten the interests of depositors; and for the purposes of this paragraph, the Bank shall have regard to any evidence that he/she has:
 - (i) Engaged in any business practices appearing to the Bank to be deceitful or oppressive or otherwise improper which reflect discredit to his/her method of conducting business;

 - (ii) Contravened any provision of any enactment designed for the protection of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of banking, insurance, investment or other financial services, or in the management of companies or due to bankruptcy.

Section 11(1) of the Banking and Financial Institutions Act states that a person debarred from management of a financial institution shall not, without the express authorization in writing of the Minister, act or continue to act as a director of, or be directly or indirectly concerned in the management of any licensee.

The banking statutes therefore grant to the Minister the legal authority to consider appeals from individuals who have not satisfied the “fit and proper” test administered by the Bank of Jamaica to carry on banking business in Jamaica. Such appeals must be made in accordance with the conditions outlined in statutes and would be considered where there may be special or peculiar circumstances not already taken into account in the Central Bank’s review process.

Section 11(2) states that the stipulations of Section 11(1), applies to any person who: -

- (a) is not a fit and proper person as described in subsection (3) of Section 4;
- (b) whether in Jamaica or elsewhere has been a director of or directly concerned in the management of a bank, licensee or other financial institution referred to in the First Schedule (see Appendix I).

Section 11(3) states that any person who contravenes the provisions of Section 11(1) shall be guilty of an offence.

Section 11(4) states that it shall be the duty of every licensee to ensure that persons do not act or continue to act in contravention of subsection (1); and, subject to subsection (5), any licensee which contravenes this subsection shall be guilty of an offence.

Section 11(5) states that it shall be a defence for a licensee charged pursuant to subsection (4) for the licensee to prove that it took all reasonable steps in the circumstances to prevent a contravention of subsection (1).

Section 29D(8) of the Banking and Financial Institution Act states that the provisions for the conduct of fit and proper assessments as outlined in section 4 (3) (see above) shall apply to every director and manager of an ultimate holding company or a financial holding company and its subsidiaries.

B.2. The Building Societies Act

Section 8B(3) of the Building Societies Act states that a licence shall not be granted to any building society unless the Bank of Jamaica makes a recommendation to the Minister that every person who is a director of the society or who is to perform corporate management functions in the society is a fit and proper person, that is to say that he/she is a person who possesses such qualification as may be prescribed. It is also expected that building societies maintain systems to ensure that their officers meet the fit and proper requirements on an ongoing basis.

Section 75B(8) of the Building Societies Act states that the provisions for the conduct of fit and proper assessments as outlined in section 8B(3) (see above)

shall apply to every director and manager of an ultimate holding company or a financial holding company and its subsidiaries

B.3. The pending Bank of Jamaica (Credit Unions) Regulations, 2004

The pending Bank of Jamaica (Credit Unions) Regulations will also include provisions relating to fit and proper requirements along the lines of those formulated in the Banking Act. The principles of these statutes would therefore similarly apply to credit unions.

C. Application and Purpose

C.1 By definition a “fit and proper” test is the statutory basis for evaluating the probity, expertise base, competence, diligence and sound judgement of board members, management and major shareholders to effectively discharge their fiduciary responsibility³. In order to be deemed a “fit and proper” person therefore, an individual must satisfy minimum integrity, solvency and competence standards pursuant to the abovementioned statutory provisions.

C.2 Application

C.2.1. The Bank of Jamaica evaluates proposed and existing directors and management officers as to expertise, qualification, competence and integrity. In addition, the Central Bank determines the suitability of major shareholders (as defined in paragraph B.1. above) via in depth due diligence assessments which would involve examination of the transparency of ownership structures, source(s) of financial resources, financial soundness, probity as well as conformity with laws and ethical standards that govern business conduct.

C.2.2 All individuals are assessed in accordance with the stipulations of the principal legislation and/or regulations as well as the clearly defined principles outlined in Section (E) below, in order to ensure transparency, objectivity, consistency and overall fairness of the process.

C.3 Purpose

- C3.1 The purpose of the fit and proper test is to:
- (a) Ensure compliance with statutory and regulatory requirements;
 - (b) Protect the interest of depositors by deterring dishonest, incompetent, unskilled or otherwise inappropriate individuals from entering or continuing in the banking or deposit-taking system;
 - (c) Protect the system from being used as a vehicle to facilitate criminal activities;
 - (d) Facilitate ongoing review of a licensee’s ownership and management;
 - (e) Encourage high standards of market conduct;
 - (f) Ensure consistency with internationally accepted ‘best practice’ standards and for ongoing regulation of licensee/individuals;

³ See Section 4(3) (c) of the Banking Act and Financial Institutions Act.

D. Criteria for Fit and Proper Test

- D.1 In executing a fit and proper test, the most critical considerations are an individual's:
- **Honesty, integrity and reputation.** There must be no record of criminal activities or adverse regulatory determinations that may make a person unfit to hold management positions or positions with the capacity to significantly impact the fortunes of a financial institution;
 - **Competence and capability.** The individual must possess necessary skills, expertise and experience in relevant financial operations commensurate with the intended activities at the financial institution;
 - **Financial soundness and/or solvency.**
- D.2 An initial fit and proper assessment is conducted as part of the processing of an application for a deposit-taking licence, or when an individual is proposed for entry (or re-entry) to an existing deposit-taking entity or to the wider financial group of which the entity forms a part, as part of the ownership, directorship or management. Thereafter, the assessment is reviewed on a 12 to 18 month cycle, or more frequently if the need arises, so that the Supervisory Authority may be able to reasonably determine that the relevant officers are consistently acting in a fit and proper manner vis-à-vis their responsibilities to their financial institution, the Bank of Jamaica, customers, other financial institutions as well as the general conduct of their affairs.
- D.3 In circumstances where an individual resides or has resided overseas and has been assessed by an external supervisory authority, which adheres to international best practice re: fit and proper standards (see Basel Core Principles) some reliance **may** be placed on the prior assessment conducted by such authorities where the full assessment or a reasonable synopsis thereof is made available to the Bank of Jamaica by that overseas authority. Particular attention will be paid to the background and circumstances against which supporting documents were produced, bearing in mind that standards of control vary between countries. Ultimately however, all individuals must satisfy the requirements of Jamaica's banking laws and regulations as well as meet minimum best practice standards.
- D.4 The Central Bank's approach to fit and proper assessment is cumulative. It may decide that an individual is not fit and proper on the basis of considering several situations, each of which on its own may not lead the Bank of Jamaica to conclude a lack of fitness and propriety but which, along with other factors, may cumulatively lead to such a conclusion.
- D.5. The Central Bank's approach in considering the situation referred to at D.4. will in all cases be informed by all available evidence taken together, including third-party evidence.

E. Description of Fit and Proper Principles

In general, the three fundamental and universally accepted principles that determine a person's fitness and propriety are **Integrity, Financial Soundness and Competence**.

E.1 Integrity

- E.1.1 Although difficult to define precisely, qualities such as honesty, reputation and honourable behaviour in dealings with depositors/customers, other licensees, the financial sector and the regulatory authority, are principally considered in determining one's level of integrity, and must be demonstrated over time. Integrity demands a disciplined, consistent approach to high standards of conduct.
- E.1.2 Integrity will be reflected in the attitude towards maintaining internal controls and effective procedures, the absence of which could be highly detrimental for a financial institution. Inappropriate action or inaction may threaten the soundness of the licensee's operations and may even ultimately lead to insolvency.
- E.1.3 Similarly, the attitude towards customers and the degree of stewardship exhibited in managing the financial affairs of the licensee will be treated as a factor in assessing integrity. An individual's failure to act with probity and/or lack of candour in his/her disclosures and general interface with the Central Bank/Regulatory Authority will impinge on the latter's assessment of an individual's integrity. Deceitful, oppressive and/or improper conduct will militate against an individual.
- E.1.4 The Bank of Jamaica will consider whether an individual has been convicted of any criminal offence involving dishonesty. However, convictions for other offences, particularly those relating to financial legislation will constitute evidence in determining issues of integrity, competence and probity.
- E.1.5 Acting with integrity also involves frank and straight-forward disclosures to the Bank of Jamaica on any matter concerning the licensee whether of a material nature or with the potential to give rise to regulatory concerns and about which the Bank of Jamaica should be aware, whether or not it involves the individual, a related party or any other individual/entity. Failure or omission to do so or inordinate delays in supplying material information to the Bank of Jamaica will be taken into account in the assessment of the integrity of the individual. Where the Bank of Jamaica discovers that such information was not brought to its attention, it will, inter alia, assess the circumstances surrounding the failure to report, the time that has elapsed between the occurrence of the event and its discovery, as well as the material (potential) impact that the event has had or could have had on the entity, to determine the extent to which this will impact the individual's fitness and propriety.
- E.1.6 The Bank of Jamaica would not positively recommend an individual whose past conduct demonstrates that the person has not been candid and truthful in all

his/her dealings with any regulatory body and has not demonstrated a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards.

E.1.7 The under-mentioned highlights more specific instances in which an individual may receive increased scrutiny and the integrity test impacted. This is not an exhaustive list and should be interpreted as a guide to understanding the considerations in conducting the integrity test.

- (a) The person has been the subject of any existing or previous investigation or disciplinary proceedings, by the Bank of Jamaica, by other past or existing regulatory authorities, clearing houses and exchanges, professional bodies, or government bodies or agencies;
- (b) The person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings;
- (c) The person has contravened any of the requirements and standards of the regulatory system or the equivalent standards or requirements of other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies;
- (d) The person has been the subject of any justified complaint relating to regulated activities;
- (e) The person has been involved with a company, partnership or other organization that has been refused registration, authorization, membership or a licence to carry out a trade, business or profession, or has had that registration, authorization, membership or license revoked, withdrawn or terminated, or has been expelled by a regulatory or government body;
- (f) As a result of the removal of the relevant license, registration or other authority, the person has been refused the right to carry on a trade, business or profession requiring a licence, registration or other authority;
- (g) The person, or any business with which the person has been involved, has been investigated, disciplined, censured or suspended or criticized by a regulatory or professional body, a court or Tribunal, whether publicly or privately;
- (h) The person has been dismissed, or asked to resign and resigned, from employment, from a position of trust or fiduciary appointment due to any alleged or proven inappropriate action(s);
- (i) The person has been disqualified from acting as a director or in any managerial capacity;
- (j) Any other unethical or reprehensible conduct, which is of such significance that it raises doubts as to the individual's integrity.

E.1.8. With regards to circumstances in the examples above relating to proceedings before a disciplinary, regulatory or other legal body, each case will be determined

under the particular circumstances. However the general principles that would guide the BOJ are as outlined below: -

- In the case of criminal charges or regulatory proceedings pending against an individual, the BOJ will not normally proceed with the application until the matter is resolved;
- In the case of any legal proceeding where the matters are terminated without any adverse findings against the individual, these would not usually form a part of the BOJ's determination;
- Pending civil proceedings will not normally form the sole basis of a determination, but may be considered together with other factors where there are extenuating circumstances.

E.2 Financial Soundness

E.2.1 Financial soundness is an important element in determining the ongoing “fitness and propriety” of current and prospective key persons in the financial system. This includes meeting outstanding obligations as they become due and ensuring adequate control of financial risks on a continuing basis. It also involves the satisfactory discharge of one's fiduciary responsibilities, the principle being that of ensuring the safety of depositors' funds.

E.2.2 Financial soundness goes beyond corporate institutions – extending to their beneficial owners, controllers, directors and senior management. The rationale is that unless an individual can demonstrate that he/she can effectively manage his/her personal affairs, such an individual would not be entrusted to manage the affairs of others. Thus, it will be incumbent on the individual to demonstrate this ability through past events and conduct. In circumstances where such financial responsibility is not ably demonstrated, the Bank of Jamaica is unlikely to regard the individual as fit and proper to be owner, controller, director or manager of a licensee, (although the specific circumstances surrounding each situation would be taken into account).

E.2.3 In determining an individual's financial soundness, the Bank of Jamaica will have regard to several other factors including, but not limited to:

1. Instances wherein an individual or an entity owned, directed or managed by the individual, has had substantial shareholding in, control over, or has been involved in the management of a company which:
 - a. Has gone into insolvency, liquidation or administration while the person has been connected with that organization or within one year of the severance of that connection;
 - b. Has entered into composition or any such arrangement with its creditors;
 - c. Has ceased trading in circumstances in which creditors were not or have not yet been paid in full;
 - d. Has been intervened by the BOJ and placed under Temporary Management, issued with Cease and Desist orders and/or statutory

- Directions by the Bank of Jamaica in order to safeguard the assets of the institution and thereby protect depositors' interests;
- e. Has been the subject of intervention by a government reconstruction agency, or been the subject of sanction or intervention by any other regulatory body;
 - f. Has had its licence to perform banking and/or other financial business previously revoked/denied or renewal refused by the Minister of Finance, or other relevant regulatory agency.
2. Instances wherein an individual or an entity of which an individual has been a major owner, director or senior manager has been adjudged bankrupt by a court in Jamaica or elsewhere, or had assets sequestered.
 3. Instances wherein an individual or an entity of which the individual is a major shareholder, director or senior manager has failed to satisfy any debt or award adjudged by a Court in Jamaica or elsewhere, to be due and payable.
 4. Instances wherein an individual or an entity of which the individual is a major shareholder, director or manager has been adjudged liable by a Court for fraud, misfeasance or other misconduct.
 5. Instances wherein an individual or an entity of which the individual is a major shareholder, director or senior manager has been the subject of any adverse judgement or order in civil proceedings.

E.3 Competence

- E.3.1 Competence goes beyond the mere avoidance of incompetence, negligence and mismanagement to take into account one's level of expertise, efficiency, reliability and compliance with relevant legislations, regulations, best practice standards, guidance notes, and any rules and/or directives issued by the Bank of Jamaica.
- E.3.2 To demonstrate competence, persons involved in the financial system must act in a knowledgeable, professional and efficient manner, while ensuring compliance with prevailing statutes. In this regard, the Bank of Jamaica will focus on three main areas – qualification, experience and performance.
- E.3.3 Demonstration of competence would take the following factors into account:
- An adequate risk management framework is established, sufficient to clearly identify, measure, monitor and control the spectrum of risks to which financial entities are exposed. Policies and procedures must be properly documented, authorized and reviewed and updated in a timely manner.
 - Board and management must exercise proper supervision and ensure the adoption and execution of acceptable corporate governance principles.

- Financial records as well as prudential reports must be complete, accurate and reliable.
- Prudential returns must consistently be submitted to the Bank of Jamaica in a timely manner and must reflect levels of accuracy on which reliance can be placed.
- The individual must demonstrate sound knowledge of banking business.
- The individual must have sound knowledge of all relevant legislation and must at no time commit any serious and/or repeated breaches of the statutes or Regulations made there-under or any guidelines or best practice standards issued by the Bank of Jamaica.

F. Submission and Review of Information

F.1. As noted earlier, fit and proper assessments are conducted by the Bank of Jamaica on a continuing basis for existing and proposed significant shareholders, directors, managers and other persons holding sensitive positions (refer to paragraph A.3.). These persons are assessed initially as part of the licensing process or upon receipt of written, formal advice from the licensee of an intended acquisition or proposed appointment as the case may be, and reviewed at least every 12 to 18 months thereafter. To facilitate the conduct of the fit and proper process for individuals, (refer to paragraph A.2.), entities/licensees are required to submit the following documents/information:

To be Submitted Initially and Annually thereafter:

- (a) A fully completed and duly certified Personal Questionnaire and all related appendices (see Appendix II for further details). The Personal Questionnaire must be updated annually (effective 31 December of each year) and submitted within sixty days of each year end.

To be Submitted Initially and Every Five-Years thereafter:

- (b) A passport- sized photograph of the individual;
- (c) A police report obtainable as follows:
- i) For individuals residing in Jamaica, candidates will proceed to:
 - Effect payment of \$1, 000 for each of the relevant police report by attending the office of the Ministry of National Security, located at 2 Oxford Road, Kingston. Note that an additional \$1, 000 will apply where express service (five day delivery) is required; and

- Attend at the office of the Criminal Investigation Branch (CIB) Headquarters, 34 Duke Street, Kingston with the original receipt obtained at (a) above, to facilitate requisite fingerprinting exercises;
- Upon fingerprinting, the CIB will affix the pick up date on the original receipt and return it to the candidate;
- The candidate will return the original receipt to the licensee;
- The licensee will submit to the Bank of Jamaica the original, annotated receipt for direct collection of the Police Report by the Bank of Jamaica.

Please note that as a matter of policy, the Bank of Jamaica will only accept as valid those Police Reports that it collects directly from the CIB, except under extenuating circumstances where such Police Reports would have already been in the hands of another Supervisor, e.g. the Financial Services Commission. In such circumstances, the Bank of Jamaica will seek direct confirmation of the existence and contents of the report from the other supervisory authority.

- (ii) For persons who have resided or worked in jurisdictions outside of Jamaica for a period of six month or more in whatever capacity, direct contact should be made with the appropriate law enforcement authority with respect to conducting the necessary criminal records checks. Where possible, the overseas authority should be requested to submit their report directly to the Bank of Jamaica for the attention of Miss Sonia Reid, Director, Financial Institutions Supervisory Division, Bank of Jamaica, Nethersole Place, Kingston;
- (d) Cheque payment to facilitate the requisition of the Financial Investigations Division (FID) report (relevant to individuals who have resided or are residing in Jamaica);

F.2. Upon receipt of the above-noted documents the Bank of Jamaica will commence a detailed assessment in accordance with the fit and proper principles espoused earlier (See paragraph E). The Bank of Jamaica reserves the right to verify the accuracy and authenticity of responses as well as to review information relating to the individual's employment history, particularly that which relates to his/her involvement in the financial sector, whether in Jamaica or elsewhere. The provision of false or misleading information will result in automatic debarment.

F.3. A fit and proper test is considered complete upon the conclusion of the above assessment and the receipt of clearance reports from the Jamaica Constabulary Force and/or Interpol/other overseas law enforcement agencies (as applicable see (e) above) as well as the Financial Investigations Division (FID).

APPENDIX I – Banking Act Extract

FIRST SCHEDULE (Section 11 (2))

Banks, Licensees or other Financial Institutions to which Section 11 of the Act applies:

Any bank, licensee or other financial institution whether in Jamaica or elsewhere-

- (a) which has been wound up by a Court; or
- (b) the license of which has been revoked, unless such revocation was consequent upon-
 - (i) the amalgamation of that bank, licensee or other financial institution with any other bank, licensee or financial institution; or
 - (ii) a voluntary winding up of the bank, licensee or other financial institution in compliance with Section 32 of the Act;
- (c) which has been placed in receivership;
- (d) which has entered into a composition with its creditors;
- (e) whose business has been conducted imprudently or fraudulently;
- (f) which has failed to meet the solvency requirements prescribed by law.

PERSONAL QUESTIONNAIRE FOR "CONNECTED PERSONS"

(SHAREHOLDERS, DIRECTORS AND SENIOR MANAGEMENT)
OF COMPANIES LICENSED, OR APPLYING TO BE LICENSED
UNDER THE BANKING ACT, FINANCIAL INSTITUTIONS ACT, OR BUILDING
SOCIETIES ACT

SECTION I

1. a) Name of Deposit Taking Licensee or Proposed Licensee in connection with which this questionnaire is being completed:

- b) Relationship/Proposed Relationship with Licensee (indicate whether direct relationship with licensee or with a related entity within the financial group) :

	<u>Relationship/Position</u>	<u>Entity</u>	<u>Start Date</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

SECTION II

BIOGRAPHICAL INFORMATION

(Note: Please provide a recent passport-sized, colour photograph certified by a Justice of the Peace/Attorney-at-Law/Notary Public along with this completed form (i.e. photograph with dimensions 45mm x 35mm taken within the last 6 months). This requirement does not apply where a photograph has been provided to the Bank of Jamaica within 5 years of the current date of submission)

2. Complete Legal Name (No Initials): _____

3. (a) Other Names Used (Trade Names, Aliases): _____

(b) Marital Status: Single Married Divorced Widowed

(c) Please state maiden name, if applicable: _____

Declaration Date: _____

4. Complete Address (No P.O. Box Number): _____

(Home): _____

(Business): _____

(Address(es) While Living Overseas): _____

5. Occupation: _____

6. Tax Payer Registration No.: _____

7. Place of Birth: _____

8. Date of Birth: _____

9. Nationality: _____

10. If Naturalized Citizen, Indicate Date of Naturalization and Certificate No.:

11. If not Jamaican, complete the following:

Visa Type and No: _____

Passport Type(s) and No(s): _____

Alien Identification No.: _____

If you are exempt from holding a Visa, explain why:

12. State the country/ies where you have worked or resided for six or more months after attaining the age of sixteen, including your country of nationality beginning with your current residence. (Please see Notes to Personal Questionnaire)

Name: _____

Declaration Date: _____

13. Information on Immediate Relatives

(i) Spouse's Name: _____

a) Other Names Used (Trade Names, Aliases): _____

b) Tax Payer Registration No.: _____

c) Complete Address (No P.O. Box Number):

(Home): _____

(Business): _____

(Address(es) While Living Overseas): _____

d) Nationality: _____

(ii) Father's Name: _____

a) Other Names Used (Trade Names, Aliases): _____

b) Tax Payer Registration No.: _____

c) Complete Address (No P.O. Box Number):

(Home): _____

(Business): _____

Name: _____

Declaration Date: _____

(Address(es) While Living Overseas): _____

d) Nationality: _____

(iii) Mother's Name: _____

a) Other Names Used (Trade Names, Aliases): _____

b) Tax Payer Registration No.: _____

c) Complete Address (No P.O. Box Number):

(Home): _____

(Business): _____

(Address(es) While Living Overseas): _____

d) Nationality: _____

(iv) Children over the Age of 18 years

Name

TRN

<u>Name</u>	<u>TRN</u>
_____	_____
_____	_____
_____	_____
_____	_____

Name: _____

Declaration Date: _____

SECTION III

EMPLOYMENT/ACADEMIC PROFILE

14. a) Give details of your employment history up to the date of this questionnaire, including for each place of employment: details of the type of business; your title and the duties attaching to your position; the dates of employment; the name and address of your employer/s; reasons for leaving; the name, position and telephone number of two references. **(Please submit the above information in the Schedule 1 attached)**



PQ - Employment Academic Profile.doc

- b) Provide information for two references as follows:

REFERENCES		
Name	Position	Telephone Number
1.		
2.		

15. Give details below of your education and your professional qualifications and affiliations, if any, including relevant dates:

EDUCATION/PROFESSIONAL QUALIFICATIONS AND AFFILIATIONS		
Qualification	Institution	Year Conferred

SECTION IV

PROFESSIONAL CONDUCT

16. Have you at any time been charged with or convicted of any offence or otherwise found liable by a Civil, Criminal or Military Court (excluding minor road traffic offences) whether in Jamaica or elsewhere? Yes No

Name: _____

Declaration Date: _____

If yes, please give details of charge, and if convicted, the date of conviction and full particulars of the offence (including any offences taken into consideration) and the penalty imposed:

17. Have you ever been required to give evidence in any trial or proceedings involving fraud, dishonesty or similar matters, whether in Jamaica or elsewhere other than as an expert witness?

Yes No

If yes, give particulars:

18. Has suit ever been brought against you in your personal capacity or against any body corporate, partnership, society or any other business undertaking to which you are connected as a shareholder, partner, director or manager? Yes No

If pending, please give full details of the circumstances, and if not pending, state how the matter was resolved.

19. (i) Have you ever been refused entry to any profession or vocation whether in Jamaica or elsewhere? Yes No

If yes, give particulars:

- (ii) Do you hold or have you ever held or applied for a licence or equivalent authorization to conduct any business activity in Jamaica or elsewhere? Yes No

If yes, give particulars. If any such application was refused or withdrawn after it was made or if any authorization was revoked, give particulars.

- (iii) Does any body corporate with which you are, or have been associated as a director or executive officer hold, or has it ever held or applied for a licence or equivalent authorization to conduct any business activity in Jamaica or elsewhere? Yes No

If yes, give particulars. If any such application was refused or withdrawn after it was made or if any authorization was revoked, give particulars.

20. Have you ever been the subject of investigation/disciplinary procedures, censured, disciplined or publicly criticised by any professional body to which you belong or have belonged whether in Jamaica or elsewhere? Yes No

If yes, give particulars:

21. Have you ever been dismissed or requested to resign from any office or employment whether in Jamaica or elsewhere? Yes No If yes, give particulars:

22. Have you ever been censured, disciplined or publicly criticised by, or made the subject of a Court Order whether in Jamaica or elsewhere at the instigation of:

- a) Any regulatory authority? Yes No
- b) Any officially appointed enquiry? Yes No
- c) Any other established body concerned with the regulation of a relevant activity (as described in the glossary at the end of this form)? Yes No

If so, give particulars:

23. In connection with the formation or management of any partnership, business undertaking or corporation, have you been adjudged by a Court civilly or criminally liable for any fraud, misfeasance or other misconduct towards that corporation, or any member or customer thereof whether in Jamaica or elsewhere? Yes No

If yes, give particulars:

24. Have you ever been disqualified by a Court or by virtue of any statutory enactment from being a director or from acting in the management or conduct of the affairs of any corporation or business undertaking whether in Jamaica or elsewhere? Yes No If yes, give particulars:

25. Has a bankruptcy petition ever been served on you, or any organization in which you were a shareholder or held the position of director or manager in any jurisdiction? Yes No

If yes, give details of the circumstances and, if not pending, how was the matter resolved?

26. Have you ever, in any jurisdiction:

- a) been adjudged bankrupt by a Court? Yes No
- b) had a receiving or administrative order made against you? Yes No
- c) had your estate sequestrated? Yes No
- d) entered into any arrangement, or other composition with your creditors? Yes No

If yes to any of the above (a-d), give particulars:

SECTION V

FINANCIAL PROFILE

27. Names and addresses of bankers (personal and business) over the past five (5) years:

28. Has any bank or other financial institution with which you or any business undertaking owned, controlled or managed by you does business, ever threatened or commenced legal action/court proceedings or declined doing any new business with you or your undertaking as a result of outstanding debts owed by you or the undertaking, or due to your not honoring other facilities afforded you (e.g. guarantee, etc.) by these institutions? Yes No

If yes, give details of the dispute and the manner in which the issue was resolved.

Name: _____

Declaration Date: _____

29. Have you, your company or your employer (past or present) previously dealt on a regular basis with any person carrying on a relevant activity (as described in the glossary at the end of this form) who has, to your knowledge at any time, indicated that s/he is unwilling to effect further transactions with you, your company, business undertaking or your employer, by reason of any act or omission by you? Yes No

If yes, give particulars:

30. (i) Do you (in your personal capacity or through any entity controlled by you) and/or an immediate relative have outstanding any loans or other forms of indebtedness in excess of \$500,000.00? Yes No

If yes, state:

a) Form: _____

b) Amount: _____

c) Source: _____

d) **Maturity Date:** _____

e) Repayment status (**i.e. current/up-to-date or level of arrears**)
(Note that information/details requested here relates to each facility outstanding).

- (ii) Do you have any immediate relative who holds a position as director/manager/significant shareholder in the Licensee with which this questionnaire is being completed or (to the best of your knowledge), with any entity affiliated to the Licensee with which this questionnaire is being completed, or in any other entity engaged in the 'relevant activities'? Yes No
If yes, give particulars.

31. Has any person, Firm, Company or association guaranteed the indebtedness?

Yes No If yes, give particulars (see previous question):

32. Are you (in your personal capacity or through any entity controlled by you) and/or an immediate relative at present guaranteeing the debts and obligations of any third parties in excess of J\$500,000.00? Yes No If yes, give particulars:

33. (a) Has any loan or credit facility (or part thereof) extended to you by any financial or lending institution, been restructured, renegotiated, provided against or been the subject of a write-off or debt forgiveness for reasons of non-payment by you? Yes No

If yes, please provide full details of the debt/s, the circumstances surrounding the action and the current status.

(b) Has any financial or lending institution (which has extended credit facilities to you), had to refer, assign or sell your loan/indebtedness to any private or public sector collection agency or any other institution for reasons of non-payment by you? Yes No

If yes, please provide full details of loan/s; date of transfer/assignment/sale; reason for actions taken and current status.

SECTION VI

BUSINESS AFFILIATIONS

34. List all companies (including current employment), partnerships, societies, trust corporations, or other business undertakings in which you are presently or have been a director, partner, trustee, owner, or otherwise involved in the management of (including banks and/or bank holding companies).

<u>Date of Commencement</u>	<u>Name & Address</u>	<u>Type of Business</u>	<u>Position Held & Duties</u>
-----------------------------	---------------------------	-------------------------	-----------------------------------

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SECTION VII

AFFILIATIONS WITH OTHER BODIES CORPORATE

35 (i) Have you ever been or are you currently a Director of any limited liability companies, or societies, or other business enterprises engaged in relevant activities, as described in the glossary at the end of this form? Yes No If yes, state:

a) Name and Address of Companies/Societies/Corporations:

b) Nature of Business: _____

c) Date of Commencement of Directorship: _____

d) Date of Cessation of Directorship: _____

e) Reason/s for cessation of Directorship: _____

f) Whether or not employed on a service contract (e.g. Managing Directorship) in any case:

(ii) Do any of the Companies/Societies/Corporations indicated in 35 (i) above, maintain a business relationship with the deposit-taking institution (DTI) for which this Personal Questionnaire (PQ) is being completed? Yes No If yes, give particulars:

(iii) Do you or do any of the Companies/Societies/Corporations indicated in 35 (i) above, prospectively plan to undertake business with the deposit-taking institution (DTI) for which this Personal Questionnaire (PQ) is being completed? Yes No

If yes, give particulars:

(iv) In carrying out your duties as a director of the entities listed in 35 (i) above, do you act or will you be acting on the directions or instructions of any other person?

Yes No. If yes, give particulars:

36. (i) Have you ever been or are you currently a Director of any limited liability companies, societies or other business enterprises other than those stated in the previous questions?

Yes No. If yes, state:

a) Name and Address of Companies/Societies/Corporations/Business Enterprise:

b) Nature of Business: _____

c) Date of Commencement of Directorship: _____

d) Date of Cessation of Directorship: _____

e) Reason/s for cessation of Directorship: _____

(ii) Do any of the Companies/Societies/Corporations indicated in 36 (i) above, maintain a business relationship with the deposit-taking institution for which this Personal Questionnaire (PQ) is being completed? Yes No

If yes, give particulars:

(iii) Do you or does any of the Companies/Societies/Corporations indicated in 36 (i) above, prospectively plan to undertake business with the deposit-taking institution for which this Personal Questionnaire is being completed? Yes No

If yes, give particulars:

(iv) In carrying out your duties as director of the entities listed in 36 (i) above, do you act or will you be acting on the directions or instructions of any other person?

Yes No If yes, give particulars:

Name: _____

Declaration Date: _____

37. Have you ever been or are you currently a beneficial owner or shareholder (holding at least 5% of issued share capital) in any limited liability companies or other corporations engaged in relevant activities described in the glossary at the end of this form? Yes No If yes, state:

a) Name and Address of Companies/Societies/Corporations:

b) Nature of Business: _____

c) Number of shares held and class: _____

d) Date of termination of shareholding: _____

e) Method of termination of shareholding: _____

38. Are you a beneficial owner of any controlling interest in any body corporate, partnership, society or other business undertaking? Yes No If yes, give particulars, including nature and address of business/partnership, etc.

39. Whether in Jamaica or elsewhere, have you ever been a shareholder, director of, or directly concerned in the management of a bank, financial institution, or any other business undertaking:

a) Which has been served with a petition to wind up? Yes No

b) Which has been wound up by a Court? Yes No

c) The licence of which has been revoked? Yes No

d) Which has been placed in receivership? Yes No

Name: _____

Declaration Date: _____

- e) Which has entered into any arrangement or other composition with its creditors? Yes No
- f) Which has had an administrative order made against it? Yes No
- g) Which has been sued? Yes No
- h) Which has been charged by law enforcement authorities regarding the commission of a criminal offence? Yes No
- i) Which has been convicted of any criminal offence? Yes No
- j) Which has been the subject of censure action by any body that exercises supervisory or regulatory jurisdiction over it? Yes No
- k) Whose business has been adjudged to have been conducted imprudently or fraudulently? Yes No
- l) Which has failed to meet the solvency requirements prescribed by law or by a licensing or supervisory authority? Yes No
- m) To which financial assistance has been given by a government agency to effect a restructuring? Yes No
- n) Which has been placed under Temporary Management/Judicial Management; which has been the subject of administrative censure or penalty; or formal statutory censure action or which has been the subject of a Vesting Order or any other intervention process by the relevant regulatory authority? Yes No

If yes (to any of the above), give full particulars:

40. Whether in Jamaica or elsewhere, have you ever been a shareholder, director, or been directly concerned in the management or conduct of affairs of any body corporate, society, partnership or any other business undertaking which has become insolvent and /or gone into liquidation, whilst you were associated with, or within two years of your association with the entity? Yes No

If yes, give details of the circumstances, including:

- a) Name of Company: _____
-

b) Name of the Liquidator: _____

c) Address of the Liquidator: _____

41. Whether in Jamaica or elsewhere, have you ever been concerned with the management or conduct of affairs of any body corporate, partnership, society or any other business undertaking which, by reason of any matter relating to a time when you were so concerned, has been censured, disciplined or publicly criticised, intervened or subjected to administrative action by:

a) Any regulatory authority? Yes No

b) Any officially appointed enquiry? Yes No

c) Any other body concerned with regulation of a relevant activity? Yes No

d) Any Court? Yes No

If yes, give particulars:

SECTION VIII

RELATIONSHIP TO THE LICENSEE/PROPOSED LICENSEE

42. (i) Will you be actively engaged in the business of the Licensee to which this application relates and devote the major portion of your time thereto? Yes No

(ii) Please describe the particular duties and responsibilities that you will hold: _____

(iii) If you are completing this form in the capacity of director please indicate whether you will have any executive responsibility for the management of the institution's business

Name: _____

Declaration Date: _____

43. Indicate, by checking the applicable space and filling in the information required for subparagraphs (i), (ii) and (iii), the categories that apply to you:

- (i) a shareholder or proposed shareholder with beneficial ownership of 20 percent or more of any class of shares of the Licensee: Yes No

Class of Shares: _____

Percentage of Shares: _____

(Note that where application is being made for an acquisition of shares, specific details as to funding for the acquisition must also be supplied.)

- (ii) a director or proposed director of the Licensee: Yes No

- (iii) an officer or proposed officer of the Licensee (please indicate your position): Yes No

44. The date on which you became a:

i. shareholder: _____

ii. director: _____

iii. officer: _____

45. Are any shares of the Licensee registered in your name or the name of an immediate relative (as defined in the glossary at the end of this form)? Yes No

If yes, provide each name in which the shares are registered, the relationship to you of any immediate relative and the class and number of shares held by each person:

46. Are, or is it proposed that, any of the shares of the Licensee mentioned in the answers to paragraphs 43-45 be equitably or legally charged or pledged to any person (individual, corporation, partnership or business undertaking)? Yes No

If yes, please give particulars:

Name: _____

Declaration Date: _____

47. Do you have a beneficial interest in any shares of the Licensee that are not registered in your name or in the name of an immediate relative? Yes No

If yes, please give particulars:

48. Do you or an immediate relative hold any shares in the Licensee as trustee or nominee?
If yes, please give particulars: Yes No

49. Indicate, by class of shares, the percentage of votes exercisable at any general meeting of the Licensee, or any subsidiary thereof, that you and/or an immediate relative are entitled to exercise or control:

50. Do you, at all times while acting in your capacity as a director or executive officer/manager of the institution, undertake to:

(a) Act in good faith towards the institution? Yes No

(b) Avoid conflict of interest situations between your other interests and the interests of the institution? Yes No

(c) Place the interests of the institution and its clients above all other interests?
 Yes No

51. Have you acquainted yourself with and do you understand the extent of the rights and powers, as well as your responsibilities and duties, as a director/manager/executive officer of the institution, as contained in the applicable law, regulations, and guidelines? Yes No

Declaration

I..... declare that the answers to the above questions are true and
(PRINT NAME)
that I am fully aware that proceeding to act, knowing that I am not fit and proper or submitting false or misleading information or withholding information which if submitted would most likely render me unfit, will constitute a breach of the Banking Act, Financial Institutions Act or Bank of Jamaica (Building Societies) Regulations and may result in my being disbarred from acting in the position indicated in this statement in relation to the Licensee with which this questionnaire is being completed. I further UNDERTAKE, that as long as I continue to be a director, manager/executive officer of the Licensee with which this questionnaire is being completed, I will notify Bank of Jamaica of any material changes to or affecting the completeness and/or accuracy of the information herein supplied by me as soon as possible, but in no event later than fourteen (14) days from the day that the changes come to my attention.

Dated the _____ day of _____
(date) (month) (year)

Signed by the said)	
)	
)	
_____)	_____
(PRINT name))	Signature
)	
in the presence of:)	
)	
)	
_____)	_____
Justice of the Peace/Attorney-at-Law/ Notary Public (PRINT name)		Signature (Affix Stamp or Seal of Office)

**N.B. Please answer all questions. Where not applicable, please indicate N/A.
If all questions are not answered, the Personal Questionnaire will be returned.**

Declaration Date: _____

Notes:

Documentation Requirements for Fit and Proper Assessments

Fit and proper assessments are conducted by the Bank of Jamaica on a continuing basis for existing, and proposed significant shareholders, directors, managers and other persons holding sensitive positions with the licensed institutions. These persons are assessed initially upon receipt of formal advice from the licensee of an intended acquisition or proposed appointment as the case may be, and reviewed at least on an annual basis thereafter.

To facilitate the conduct of the fit and proper process, the following documents are required:

- (a) A fully completed and duly certified Personal Questionnaire and all related appendices;
- (b) Clearance reports from:
 - (i) The Jamaica Constabulary Force (JCF)
 - (ii) The Financial Investigations Division (FID)
 - (iii) Overseas law enforcement agencies (where the candidate has either worked or resided overseas for six or more months after attaining the age of sixteen)

With regard to the documents required at (b) above, these are required at the conduct of the first assessment and at five year intervals thereafter. However, please note that international law enforcement reports are only required at the five-year reporting cycle, where the fit and proper review subject has worked or resided in an overseas jurisdiction during the five-year period subsequent to the first assessment or last comprehensive review. This would apply, for example, to staff who may have been on secondment at an overseas office, officers who pursued further studies overseas or directors who reside outside of Jamaica. It is the responsibility of the licensee/or candidate to make the necessary requests for police reports and fulfill all the procedural requirements to ensure direct submission of the report/s to the Bank of Jamaica. For persons, who have lived in the United States or Canada, reports should be submitted from the following authorities:

- (i) Federal Bureau of Investigations (FBI) – United States Department of Justice
(refer: http://www.fbi.gov/about-us/cjis/background-checks/background_checks)
- (ii) Royal Canadian Mounted Police
(refer: <http://www.rcmp-grc.gc.ca/cr-cj/fing-empr2-eng.htm>)

Reference should be made to the Bank of Jamaica 'Guidelines to Fit and Proper Assessments' accessible at http://www.boj.org.jm/supervised_guidance_notes.php for further information.

Process for Obtaining Jamaica Constabulary Force (JCF) and Financial Investigations Division (FID) Reports

JCF Report

- (1) After paying the requisite fee at the Inland Revenue Department, relevant candidate should attend at the offices of the Criminal Investigation Branch (CIB) Headquarters, 34 Duke Street, Kingston with the original receipts, to facilitate fingerprinting exercises;
- (2) Upon fingerprinting, the CIB will affix the pick-up date on the original receipt and return it to the candidate;
- (3) The candidate should return the original annotated receipt to the licensee who should submit same to the Bank of Jamaica to enable direct collection of the Police Report by the Bank of Jamaica.

FID Reports

Licensees are required to submit cheques made payable to the FID to the Bank of Jamaica to facilitate requests for FID Reports. The following requirements apply:

1) Comprehensive Financial Profile Report (Cost : \$6,000.00)

This report is required for the conduct of fit and proper due diligence reviews for:

- a) Candidates on first entry to the system, who are proposed for the following roles/positions in licensed deposit-taking entities, their ultimate holding company or financial holding company and related subsidiaries:
 - Significant shareholders (i.e. individuals or group of connected persons owning 20% or more of the share capital of the licensed deposit-taking institution, whether directly or indirectly),
 - Board directors,
 - Senior management personnel (i.e. individuals who are involved in the corporate management of the licensed institutions);
- b) Any other person as the Bank of Jamaica may determine necessary and as will be advised to the affected licensee, in circumstances where such person is deemed to have significant potential influence on the direction, management or viability of the licensee.

2) Fit and Proper Clearance Report (Cost: \$3,000.00)

Subject to 1b) above, this report will be required for:

- Personnel, on first time entry to the system, who are proposed at levels currently subject to fit and proper reviews (refer BOJ 2004 Fit and Proper Guidelines and BOJ letter to the industry re Requirements for Fit and Proper Assessments dated 26 July 2007), which levels are not subject to the comprehensive profile as outlined above, and
- all continuing fit and proper candidates at the Bank of Jamaica's existing five (5) year review cycle.

Glossary

1. "**Corporation**" means:
Any body corporate, incorporated in Jamaica or elsewhere.
2. "**Relevant Activity**" means:
 - a) Banking, finance, insurance, money-lending, money/funds management, pension funds management, cambio operations, bureau de change, foreign exchange remittance business, debt-factoring, hire purchase financing, leasing or other financial activities.
 - b) Dealing in Securities.
 - c) Providing investment or financial advice and management services.
3. "**Immediate Relative**" as respects any person, means:
The spouse, children (including step-children) and their spouses, parents, and brothers or sisters of that person.
4. "**Officer**" – for the purposes of the Personal Questionnaire, "officer" is to be interpreted as senior-management, branch management and key employees, for example, staff involved in trading activities.

Name: _____

Declaration Date: _____