

NOTIFICATION TO CAMBIOS & REMITTANCE COMPANIES

'FIT AND PROPER' CRITERIA FOR OPERATORS

1. Bank of Jamaica (BOJ) has the responsibility to regulate and supervise the operations of Cambios and Remittance Companies in Jamaica pursuant to section 22B(1) and 22G of the Bank of Jamaica Act. The criteria for the approval of operations include a consideration of Operators' or Applicants' fitness and propriety.
2. For the purposes of this Notice, "Operators" shall include:
 - a. Each director & relevant shareholder¹ (holding or exercising rights attaching to 10% or more of the shares of the company/applicant, whether such rights are held solely by an individual or jointly with another person).
 - b. Each director and relevant shareholder of the Agent, where the service is to be offered via an agency arrangement.
 - c. The manager of each location/service point
3. The application of the 'Fit and Proper' criteria shall be an ongoing process and shall be in effect throughout the term of a Cambio or Remittance Company's operations.
4. All Operators are subject to 'Fit and Proper' assessment prior to initial licensing as well as under the Bank's 7-year review policy.
5. Approvals shall, therefore, not be granted to any company unless the Operators are deemed to be 'Fit and Proper' for that purpose. Similarly, BOJ shall not renew the Approval of any Operator unless the Operator meets the 'Fit and Proper' criteria specified herein. To meet the 'Fit and Proper' criteria, Operators must be persons who:
 - a. have not provided any false or misleading information to BOJ on the Questionnaire for Assessment of Operators of Cambios & Remittance Companies Under the 'Fit and Proper' Criteria ('Fit and Proper' Questionnaire) or in any related document,
 - b. have declared all information as required by the 'Fit and Proper' Questionnaire,

¹ Where a relevant shareholder is a company, the relevant shareholders of that company are also eligible for assessment.

- c. have not been convicted of any crime involving dishonesty,
- d. are confirmed by the Police, as having satisfactory records,
- e. are confirmed as having satisfactory clearance from the Financial Investigations Division (FID) of the Ministry of Finance & the Public Service, The process of obtaining the relevant clearance involves the payment of a fee. The applicable fee will be dependent on the level of due diligence required in each instance.
- f. in the opinion of BOJ are persons of sound probity, and are able to exercise the required level of competence, diligence, and sound judgement in fulfilling their responsibilities as Cambio or Remittance Operators; and who do not constitute a threat to good order in the Foreign Exchange Market and Payment Systems; and for the purposes of this paragraph BOJ may have regard to any evidence that the Operator has: -
 - (i) engaged in previous business or financial practices which appear to BOJ to be deceitful or oppressive or otherwise improper or indicative of poor financial management skills;
 - (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, whether in Jamaica or elsewhere;
- g. are not persons barred for a reason other than that set out in (h) below. In this case such persons may apply to the Minister for exemption.
- h. are not persons barred from holding positions as shareholders, directors or managers of banks, merchant banks or any other entity pursuant to the provisions of the Banking Services Act (BSA) or other statutory enactment. Pursuant to section 38 (1) of the BSA, such persons may apply to the Supervisor or Supervisory Committee for exemption².

6. Applicants shall submit the following for each Operator upon making an application for approval to operate a cambio or remittance company:

² The passage of the BSA, 2014 repealed the Banking Act (BA), Financial Institutions Act (FIA) and provisions in the Building Societies Act treating with DTI obligations. Accordingly, the appeal processes in the BSA now govern any appeals in relation to fit and proper determinations regarding a person's status in relation to a DTI or other licensee under the BSA. The BSA was brought into effect on September 30, 2015.

- a. A completed 'Fit and Proper' Questionnaire and a current resume. The Questionnaire is available on the Bank's website at www.boj.org.jm/financial_sys/fit_and_proper.php,
- b. A current Police Clearance Report (submitted to the Bank within 6 months of being issued) or original receipt evidencing payment for a Police Clearance Report.
- c. The relevant fee for obtaining FID Clearance.

BOJ will advise of the applicable fee and payment due date.

7. The Police authorities shall be directed to forward the certificates for all Operators directly to BOJ.
8. A person who has resided or worked in jurisdictions outside of Jamaica for a period exceeding six months (since age 18), as at the date of application, must also submit Police Clearance Report from each relevant jurisdiction. Each person must make direct contact with the appropriate law enforcement authority with respect to conducting the necessary criminal records check. Where possible, the overseas authority should be requested to submit their report directly to BOJ for the attention of the Director, Cambio & Remittance Licensing & Monitoring Department, Bank of Jamaica, Nethersole Place, Kingston.
9. The failure or refusal by an individual or organization to take the steps required to have clearance reports prepared as requested by BOJ within one (1) month of the date of the request for such information shall constitute grounds for the termination of the 'Fit and Proper' assessment of the affected Operator. BOJ also reserves the right to discontinue or terminate the fit and proper assessment process if any clearance report that has been requested is not received within four (4) months of the date of the request for such information.
10. Where shareholders are unable to undergo the 'Fit and Proper' process due to ill-health, the process in relation to that shareholder will be deferred until the shareholder advises or informs BOJ of his return to good health and BOJ is satisfied that the shareholder is fit to undergo the 'Fit and Proper' process, subject to submission of the following:
 - a. Confirmation from a certified Medical Doctor that the relevant shareholder is medically unfit to be subject to the procedure, and
 - b. A certified copy of Power of Attorney issued by the medically unfit shareholder

In such cases, the person who has been appointed Power of Attorney must satisfy BOJ's 'Fit and Proper' criteria.

This provision is not applicable to directors or managers.

11. Where a Cambio or Remittance Company proposes to effect changes to its Operators, the Company shall advise BOJ 7 days prior to effecting such proposed change, if possible. In the event that such prior notice is not possible, BOJ must be advised of the change within 7 days of the date when the change took effect, in order that the fitness and propriety of proposed Operators may be assessed. In all cases, the Questionnaire relating to each proposed Operator must be submitted to BOJ by the company at the same time that the Bank is notified of the change. Any change, so effected by a Cambio or Remittance Company, shall in all cases be conditional on BOJ's assessment that the Operator involved is a 'Fit and Proper' person.
12. An Operator who has notice of any fact or circumstance, which will reasonably affect his standing as 'Fit and Proper' under this Notice, shall be obliged to immediately advise BOJ within 7 days of being made aware of such fact or circumstance. The failure to so advise BOJ shall constitute grounds for suspension or revocation of the Approval.
13. A determination by BOJ, at any time, including during the term of an Approval, that an Operator has ceased to meet the 'Fit and Proper' criteria outlined herein shall constitute grounds for suspension or revocation of the Approval.
14. An Operator who, subsequent to the submission of the Questionnaire, has notice of any fact or circumstance which will reasonably affect BOJ's assessment under this Notice shall be obliged to immediately advise BOJ within 7 days of being made aware of such fact or circumstance.
15. The provision of any false or misleading information to BOJ in support of an application for an Approval, or its renewal, shall also constitute grounds for refusing an application for Approval or for suspension or revocation of an Approval.

16. A determination by BOJ that an Operator does not meet the 'Fit and Proper' criteria herein contained shall be final and conclusive. A determination that the fit and proper criteria has not been met may be appealed by the Operator to the Minister of Finance & the Public Service in circumstances arising in relation to 5(g) above or, in the case of persons belonging to the category stated in 5(h) above, to the Supervisor or the Supervisory Committee.
17. It should not be assumed that information is known to BOJ merely because it is in the public domain or has previously been disclosed to BOJ or another regulatory body or law enforcement agent.
18. BOJ reserves the right to require such further and other information from any Applicant or Operator as it deems fit, for the purpose of making its determination of the fitness and propriety of an Operator.
19. BOJ shall have liberty to extend the period for doing any act under this Notice.