



Frequently Asked Questions – Agent Banking		
Questions		Answers
A. AGENT BANKING		
1	What is agent banking?	Agent banking is the provision of banking services by an agent in accordance with section 108 of the Banking Services Act, 2014 (BSA).
2	Who is an agent?	An agent is a company, other than a deposit taking institution (DTI), who has been appointed by a DTI under section 108(1) of the BSA to carry out one or more banking services specified in that section.
3	What is the purpose of agent banking?	Agent banking was included in the BSA consistent with the aim of broadening the access points for delivery of specified banking services and thereby facilitating wider access to banking services.
4	What is the difference between an agent and a branch?	An agent is a third party entity appointed by the DTI to conduct one or more of the banking services specified in section 108(1) of the BSA, while a branch is the DTI operating through a location other than its head office.
5	Who is a principal agent banking employee?	“Principal agent banking employee” of an agent has a similar meaning to a “key employee” in the BSA, that is, <ul style="list-style-type: none"> a) a person who is employed or contracted below the level of management of an agent to perform functions that:

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		<ul style="list-style-type: none"> i) can substantially affect the financial condition or reputation of the agent; ii) meet the criteria specified in any guidelines prescribed by the Supervisor; or <p>b) a person who is deemed by the Supervisor to be a principal agent banking employee.</p>
B. APPLYING TO APPOINT AN AGENT		
6	Who can apply to be an agent?	Only a DTI can apply for approval to appoint an agent.
7	Is there an application fee when a DTI is applying for approval to appoint an agent?	No. There is no requirement for payment of an application fee.
8	How soon will a DTI know the outcome of its application for approval to appoint an agent?	<p>The timeline for completing the assessment of and making a determination on an application will vary based on the:</p> <ul style="list-style-type: none"> a) completeness of the application; b) adequacy and accuracy of information provided in support of the application; and c) adequacy of the agent due diligence conducted by the appointing DTI. <p>Therefore, DTIs should ensure that their submissions for approval to appoint an agent are complete and meet the stipulated requirements in the BSA, the applicable Regulations and the Standard of Sound Practice on Agent Banking.</p>
9	What are the minimum criteria to be appointed as an agent?	A DTI, with the approval of the Supervisory Committee, can appoint an agent to conduct any one or more of the services specified in section 108(1) of the BSA on its behalf. The entity to be appointed as an agent must meet the following minimum criteria ¹ :

¹This list of criteria for appointment as an agent outlined is not exhaustive. The Banking Services (Deposit Taking Institutions) (Agent Banking) Regulations, 2016 sets out additional requirements which are required to be met in order for an entity to be appointed as an agent.

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		<ul style="list-style-type: none"> a) be legally incorporated in Jamaica and compliant with the tax and other statutory obligations imposed by any enactment that are relevant to the company; b) meet the operating, security, financial requirements and non-financial restrictions imposed under the BSA framework; c) have substantial shareholders, directors, officers and principal agent banking employees who are fit and proper; and d) have satisfied the DTI of its suitability to operate as an agent.
10	Is an agent banking approval renewable each year?	<p>The current agent banking framework does not require a renewal of the DTI's approval each year. An approval by BOJ in relation to an application for appointment pursuant to section 108(1) of the BSA, remains applicable until revoked by BOJ or rescinded by BOJ pursuant to the appointing DTI's intention to surrender the approval. However, this position is subject to the following circumstances:</p> <ul style="list-style-type: none"> a) each agent appointment by the DTI will be governed by its own contractual obligations between the agent and the DTI. As such, the clauses applicable to each agent arrangement may vary. So while the appointing DTI does not need to seek to renew an approval to appoint the agent each year, the agreement between the agent and the appointing DTI may contain terms that amount to the parties taking steps to renew this agreement periodically; and b) each appointing DTI will be subject to an ongoing requirement to ensure its agents remain eligible to continue to operate as an agent.

C. AGENT BANKING SERVICES

11	What are the banking services that agents can offer?	<p>The banking services that may be offered by agents are specified in section 108 (1) of the BSA. The banking services are:</p> <ul style="list-style-type: none"> a) deposits and withdrawals; b) payments of bills and loan repayments; c) electronic transfer of funds; d) account balance enquiries; and e) collection of know your customer (KYC) and customer due diligence (CDD) documentation on behalf of the DTI.
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12	Are there any limits to the banking services that an agent can offer?	The services that may be offered by an agent are listed at item (11).
13	Will I be charged additional fees to access banking services through an agent?	No. While a DTI may charge fees consistent with the service being offered, the Regulations expressly prohibit the DTI’s agent from levying an additional charge or fee for accessing that banking service.
14	Can I open an account through an agent?	No. The agent banking regulations expressly prohibit an agent from opening bank accounts. However, the agent may be permitted to collect KYC and CDD documentation on behalf of the DTI.
15	Can agents grant loans on behalf of the DTI?	No. The agent banking regulations expressly prohibit an agent from granting a loan in the name or on behalf of an appointing DTI. While agents may collect the documentation for a loan application, the DTI is responsible for the analysis and verification of the adequacy and acceptability of that documentation and the granting of the loan. Agents may be permitted to disburse loans which are granted by the DTI.
16	Can a DTI’s employee open accounts and grant loans at agent banking locations?	No. The opening of accounts and the granting of loans are activities that must be undertaken either at a DTI’s head office or branch locations.
17	Are there transaction limits when using an agent vis-à-vis a branch?	There is no statutory requirement for transaction limits when transacting through an agent. However, a DTI may well impose transaction limits on its agents based on the DTI’s risk appetite and its assessment as to the agent’s ability to control risks.

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D. APPOINTING AGENTS		
18	Can a DTI have more than one entity offering agent banking services?	The BSA does not impose limits on the number of agents that a DTI can appoint. However, each agent appointment is subject to approval of the Bank of Jamaica.
19	Can an agent be appointed by more than one DTIs to offer banking services on their behalf?	While the BSA is silent on the matter, the current framework does not contemplate an agent acting for more than one DTI.
E. CUSTOMER RELATIONS		
20	Who can I talk to about poor customer service at an agent location?	The customer should be able to address any issues concerning a transaction conducted at an agent location either with the agent or with the appointing DTI. All DTIs under the Banking Services (Deposit Taking Institutions) (Customer Related Matters) Code of Conduct, 2016 (the “Code”) are required to have a mechanism to handle customer complaints.
21	Will my information be kept confidential when I conduct banking services through an agent?	Section 134 of the BSA extends the secrecy obligations of DTIs to their agents.

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F. GENERAL	
22	How will I be able to identify an agent that has been approved by the BOJ to conduct banking services?
	An agent is required to display the following at the place of business: <ul style="list-style-type: none">a) A certified copy of the appointing DTI's approval to offer banking services through an agent;b) A certified copy of the agent's appointment by the DTI; andc) The name and the logo of the appointing DTI.
23	Does an agent require a separate location for its agent banking activities?
	The agent banking regulations do not require separate locations of operation for the primary commercial activity of the agent and the agent banking activity. However, it requires clear demarcation of the area from which banking services will be offered. Clear demarcation includes proper signage (including name and logo of the appointing DTI) and the reservation of banking services to one clear physical area of operation.