



27 June 2017

BOJ PILOTS UPDATE OF FOREIGN EXCHANGE TRADING OPERATIONS

Effective 26 July 2017, Bank of Jamaica will commence selling foreign exchange (FX) to Authorized Dealers (ADs) and eligible cambios via a competitive bidding process.

The introduction of this new framework will follow a pilot exercise on 28 June 2017.

Under this process, the *BOJ Foreign Exchange Intervention & Trading Tool* (B-FXITT), BOJ will pre-announce, up to four weeks ahead, the quantity of FX that it intends to sell to the market on Wednesday of each week. All ADs and eligible cambios will be invited to submit bids to purchase FX from Bank of Jamaica at exchange rates that they specify. The Bank will publish a report from each operation on the same day, including the weighted average exchange rate arising from the operation, and will also introduce the publication of midday weighted average exchange rates.

The Bank may also sell foreign exchange to ADs and eligible cambios outside of this weekly schedule if circumstances merit.

The implementation of this upgrade to the Bank's operations forms a part of Bank of Jamaica's ongoing effort to enhance the effectiveness of its monetary policy transmission and foreign exchange operations. The introduction of **B-FXITT** will not affect the manner or freedom with

which members of the public currently purchase or sell foreign exchange from or to their banks and cambios.