



News Release
26 February 2010

Adjustments to the Foreign Currency Cash Reserve and Liquid Assets Requirements

Effective Monday, 1 March 2010, the cash reserve requirement with respect to foreign currency prescribed liabilities of deposit taking institutions will be reduced by two (2) percentage points to 9.0 per cent. The liquid asset requirement will also be reduced by two (2) percentage points to 23.0 per cent.

The cash reserve and liquid asset requirements applicable to Jamaica Dollar liabilities remain unchanged.

The receipt of loan flows from multilateral financial institutions in February has put the BOJ in an enhanced position to maintain stability in the foreign exchange market. Gross foreign reserves currently exceed US\$2.2 billion and are likely to grow further before the end of the fiscal year.

The reduction in the requirement will allow deposit taking institutions more latitude in the allocation of their foreign currency portfolios, including expanding credit to the business sector.

This adjustment returns the reserve requirements for foreign currency to the level that prevailed prior to December 2008.