

**MONETARY POLICY AND FOREIGN EXCHANGE RATE DEVELOPMENTS -
1984 TO PRESENT**

**FOREIGN EXCHANGE RATES AND
FOREIGN EXCHANGE MANAGEMENT POLICY REVISIONS**

- 1984/01/05 Revision and adjustment of foreign exchange band.
New range: J\$3.10 - J\$3.40 per US\$1.00 (J\$3.40 actual selling rate).
- 1984/01/19 Review and adjustment of foreign exchange band.
New range: J\$3.25 - J\$3.55 per US\$1.00 (J\$3.30 actual selling rate).
- 1984/03/01 Banks no longer allowed to include "foreign currency float" as part of liquid assets ratio.
- 1984/03/20 Introduction of new foreign exchange system determined by auction held twice weekly. Bids conducted within prescribed band as set by Parity Order.
Range: J\$3.25 - J\$3.55 per US\$1.00 (J\$3.55 actual selling rate).
- 1984/03/29 New Parity Order: Range: J\$3.40 - J\$3.70 per US\$1.00 (J\$3.70 actual selling rate).
- 1984/04/10 New Parity Order: Range: J\$3.55 - \$3.85 per US\$1.00 (J\$3.85 actual selling rate).
- 1984/04/19 Review of auction operations whereby bids will be accepted only in respect of obligation with original due date(s) on or after 01/02/84.

New Parity Order: Range: J\$3.70 - J\$4.00 per US\$1.00 (J\$4.00 actual selling rate).
- 1984/05/02 New Parity Order: Range: J\$3.85 - \$4.15 per US\$1.00 (J\$4.00 actual selling rate).
- 1984/09/19 New Parity Order: Range: J\$4.00 - J\$4.30 per US\$1.00 (J\$4.30 actual selling rate).
- 1984/10/18 New Parity Order: Range: J\$4.15 - J\$4.45 per US\$1.00 (J\$4.40 actual selling rate)
- 1984/10/30 New Parity Order: Range: J\$4.30 - J\$4.60 per US\$1.00 (J\$4.60 actual selling rate).
- 1984/11/07 New Parity Order: Range J\$4.45 - J\$4.75 per US\$1.

- 1984/11/29 Revised Auction mechanism and Exchange System permitting the exchange rate band to move downward as well as upwards. Bids for foreign exchange to establish letters of credit no longer accepted. Bidders to pay for foreign exchange at price at which they bid.
- 1989/11/01 The exchange rate of the Jamaica dollar to the United States dollar is fixed at J\$6.46 buying and J\$6.50 selling.
- The auction mechanism through which the exchange rate has been determined was suspended.
- 1990/01/02 A Foreign Exchange Retained Accounts scheme established for non-traditional exporters.
- The scheme covers:
- (a) exports of non-traditional goods (i.e., all exports excluding bauxite, alumina, sugar and bananas) to third country or hard currency markets.
 - (b) export services including data entry for the overseas market.
- 1990/01/23 The Bank of Jamaica partly closed its foreign exchange market, and announced that it would not be "accepting applications for foreign exchange from commercial banks on behalf of importers of goods and services" until February 1, 1990.
- 1990/02/01 In-bond shops are required to sell all merchandise whether duty free, duty paid or locally produced to non-residents only and for foreign currency only.
- 1990/07/01 Commercial banks empowered by the Bank of Jamaica by means of delegated authority issued under the Exchange Control Act to operate foreign currency "A" accounts on behalf of residents and non-residents.
- The Bank of Jamaica has authorised the commercial banks to accept cash for credit to foreign currency "A" accounts under the following conditions:-
- (i) Cash deposits restricted to five days - July 30 to August 3, and thereafter cash deposits will not be allowed.
 - (ii) A maximum of US\$500.00 or its equivalent in any other convertible foreign currency to be accepted from any one account holder without the account holder providing details as to the source of the funds.
 - (iii) Cash deposits in excess of US\$500.00 will require details as to the source of the funds.

1990/09/17 The exchange rate of the Jamaica dollar to the United States dollar is now determined by "prevailing market rates", i.e. commercial banks are now authorized dealers and will specify from time to time the buying and selling rates for the United States dollar.

The following exchange rates are now in effect:

1. Average of Market Exchange Rates - daily weighted average buying and selling for spot transactions in the primary and interbank markets for all commercial banks.
2. Customs and Statistical Rate - daily weighted average selling rates for spot transactions in the primary and interbank markets for all commercial banks.
3. Foreign Exchange Bureaux Rates - weighted average of the commercial banks' over-the-counter buying rates, adjusted for the relevant spread of each Bureau.
4. Over the Counter Rates for the commercial banks - rates posted daily by the commercial banks.

Commercial banks required to surrender 25 percent of their foreign currency purchases to Bank of Jamaica at the weighted average purchase rate of all banks taken together plus J\$0.03 per US\$1.00.

1990/10/01 Commercial banks empowered to operate foreign currency "B" accounts on behalf of residents and non-residents. The main characteristics are as follows:

- (i) Deposits to the "B" accounts will be sold to the commercial banks and the Jamaica dollar equivalent credited to the account at the existing rate of exchange.
- (ii) Deposits to the "B" accounts will not include foreign currency receipts from the exports of goods and services from Jamaica including tourism and technical services.
- (iii) The interest credited to the "B" accounts is exempted from Jamaican Income Tax.

Commercial banks will accept cash to be credited to the "B" Accounts under the following conditions:-

- (i) Unrestricted deposits of foreign exchange cash will only be accepted between October 1 and October 15, 1990.

- (ii) As of October 16, 1990, cash deposits of up to US\$500 per month may be made by each depositor (all the depositors "B" accounts being taken together).
- 1990/10/24 Commercial banks will now surrender 30 percent of their foreign currency purchases, up from 25 percent, to the Bank of Jamaica at the weighted average purchase rate of all banks.
- 1990/10/25 Due to an amendment to the Exchange Control Notices, commercial banks are now authorised to accept foreign currency cash for credit to any single "A" account under the following conditions:-
- (i) A total of US\$10,000 or its equivalent in any other convertible foreign currency may be accepted from any one account holder during the life of the account.
- (ii) Anyone who has an "A" account and a Certificate of Deposit (CD) in foreign currency with the same bank at one and the same time is deemed to be operating a single "A" account.
- 1990/11/12 Commercial banks surrender requirements increased from 30 percent to 40 percent with the additional 10 percent being sold to the Bank of Jamaica at each bank's weighted average selling rate.
- 1990/12/03 Commercial Banks to surrender 50 percent of their foreign currency purchases (increased from 40 percent) to the Bank of Jamaica, with the additional 10 percent being sold at each bank's weighted average selling rate.
- 1991/03/01 The Bank of Jamaica will now purchase 50 percent of commercial bank foreign exchange intake with 25 percent of each bank's daily purchase being bought at a rate based on a daily weighted average buying rate of all commercial banks. The remaining 25 percent will be bought at the individual bank's daily weighted average selling rate.
- 1991/04/08 (a) The Bank of Jamaica will now purchase up to 50 percent of commercial bank foreign exchange intake at the weighted average buying rate of each commercial bank plus a margin, instead of at the weighted average rate of all banks.
- (b) No commissions or fees (in addition to the spread between buying and selling rates) should be charged by commercial banks. In addition, the maximum spread between buying and selling rates in respect of the foreign exchange not sold to the Bank of Jamaica under (a) above, should not exceed 1.5 percent in respect of all transactions including those with the Bank of Jamaica.
- 1991/04/15 Spot market weighted average rate (which was previously applicable for customs and statistical purposes) became a 'market indicative rate for

statistical purposes'. The published custom rate in Appendix I was derived by combining the weighted average spot and forward selling rates.

- 1991/05/09 Commercial banks now allowed to accept unlimited cash for credit to the foreign exchange "A" account.
- 1991/05/13 Members of the Jamaica Association of Villas and Apartments (JAVA) authorised to retain 35 percent (previously 10 percent) of their JNRA earnings.
- Hoteliers can now credit to their expenditure account or to any other account 35 percent of their earnings, with the remaining 65 percent to be sold to the Bank of Jamaica at the weighted average buying rate.
- Hotels allowed to borrow in foreign exchange and service their debts from their 35 percent retention, but the Bank of Jamaica will get priority to any excess of foreign exchange proceeds of such loans.
- The foreign currency surrender requirement by commercial banks will be reduced by 10 percent from 50 percent to 40 percent.
- 1991/06/06 The Bank of Jamaica will now purchase an additional 15 percent of commercial bank purchases at each bank's weighted average selling rate. This will be in force until the end of June 1991.
- 1991/06/10 The Jamaica Bankers Association implemented the following new standards and procedures to govern the operations of all commercial banks in their inter-bank foreign exchange trading activities.

Spot Market

- (i) Each bank will set its rates within predetermined bands on a daily basis which will be displayed in the banks' branches.
- (ii) Each bank will trade within the daily published rates and there will be no negotiated rates.

Forward Market

- (i) No forward transactions will be done by any bank for any period less than 30 days.
- (ii) There will be no discounting of forward contracts within the first 30 days of the contract.
- (iii) The applicable rates of exchange for purchases in the forward market will be directly related to the applicable rates of exchange in the spot market.

(iv) No cash will be bought on the forward market.

1991/06/11 Derivation of custom rate discontinued. Spot market weighted average rate utilised for custom purposes.

- 1991/06/26 Payments between Jamaica and Caricom countries will now be conducted as far as possible in regional currencies through a mechanism operated by the commercial banking system in the respective countries. Under the new system, Bank of Jamaica will exempt Caricom transactions from surrender requirements relating to purchases of foreign exchange by commercial banks.
- 1991/07/01 Victoria Mutual Building Society, Jamaica National Building Society, Manufacturers Merchant and Pan Caribbean Merchant Bank were designated authorized dealers of foreign exchange under the Exchange Control Act.
- 1991/07/22 Persons resident outside of Jamaica (non-resident investors) no longer require Exchange Control approval for lending foreign currency to Jamaican entities or acquiring equity or other shareholding or interests in such entities in connection with capital investments undertaken in Jamaica by such non-resident investors.
- The borrowing of foreign currency by Jamaican entities and/or the issuance of equity and/or other shareholding or interest by such entity to non-resident investors in connection with a capital investment undertaken in Jamaica by such non-resident investors no longer require Exchange Control approval. The capital investment may either be direct or portfolio (indirect) investment.
- 1991/08/06 The Bank of Jamaica will now purchase up to 40 percent of commercial bank foreign exchange intake at the weighted average buying rate for the banking system as a whole, plus a spread of J\$0.03 per US\$1.00.
- 1991/09/25 "Exchange Control (Removal of Restrictions) Order" implemented.

Consequent on the implementation of the "Removal of Restrictions Order", the following measures were introduced:-

- (i) Exporters and all other earners of foreign exchange will be free to hold their earnings in foreign currency accounts locally or abroad and utilize the same for any foreign obligations.
- (ii) All "Retained Accounts" including those for exporters, villas and apartments, U-Drive Operators, In-Bond Operators, and other tourism interests, have been abolished. Compulsory sales to the Jamaica National Retained Account (JNRA) by the tourism sector will no longer be required.
- (iii) The existing mechanism for settlement of CARICOM transactions will no longer continue. Exporters to and importers from CARICOM will make their own arrangements for settling their transactions.
- (iv) The Bank of Jamaica (BOJ) will eventually restrict its provision of foreign exchange to the servicing of the Public

external debt, making payments in respect of diplomatic missions, and other essential requirements of the Government.

1991/09/25

(v) All payments to Government which by agreement or law are payable in foreign exchange as well as foreign exchange proceeds of loans to Government Agencies will be paid directly to the Bank of Jamaica.

(vi) 'A' Accounts

NON-RESIDENTS will continue to hold tax free 'A' accounts on the existing terms.

RESIDENTS will be free to maintain foreign currency accounts locally or abroad, but these will be subject to the ordinary tax laws of Jamaica and the foreign country.

ALL RESIDENTS with balances in their 'A' accounts as at September 20, 1991, will continue to receive (up to the time of their withdrawal or use), tax free interest and the freedom to use the funds for whatever purpose.

RESIDENTS will not be able to open new 'A' accounts or add to existing balances held in such accounts.

(vii) 'B' accounts

NON-RESIDENTS will continue to hold 'B' accounts on the existing terms.

RESIDENTS will be allowed to have tax-free 'B' accounts provided that they are restricted to Certificates of Deposit with a minimum duration of one year. Withdrawal before year-end will nullify the tax-free status.

1991/10/25

Exchange Control (Removal of Restrictions (No. 2) Order 1991:

(i) Requires that only authorised dealers buy, sell, borrow or lend in foreign exchange unless approved by the Minister.

(ii) Stipulates that persons buying, selling, borrowing or lending foreign currency may only do so through an authorised dealer.

(iii) Sets penalties and fines for offences against the Act.

1992/06/08

Authorized foreign exchange dealers will voluntarily sell to the Bank of Jamaica an amount not less than 5 percent of each dealer's daily purchases which would be used by the Bank of Jamaica to set up a Stabilization Fund. No withdrawals from the Fund will be allowed before August 31, 1992. Thereafter, each authorized dealer would be entitled to access up to 50 percent

of the amount contributed by that dealer but restricted on a monthly basis to one-third of this entitlement. This would ensure that at any moment in time, at least two months contribution would be available in the Fund. The remaining 50 percent would be available to the Bank of Jamaica primarily for exchange rate support.

1992/08/17 The Exchange Control Act has been repealed and the Bank of Jamaica Act has been amended in a Schedule to the Bill to reflect those provisions. Three features of that Act were retained - the prohibition against trading in foreign currency except by an authorised dealer, provisions under which the Minister could issue directions to specified classes of persons as regards the acquisition of foreign currency, and provisions relating to offences.

1993/06/21 The following are amended guidelines for the Inter-bank Foreign Exchange Market:

1. The Bank of Jamaica will discontinue the provision of indicative rates to authorized dealers.
2. Each authorized foreign exchange dealer will establish his own buying and selling rates of exchange which is to be market determined.
3. Each authorized foreign exchange dealer will advise the Bank of Jamaica by 8:30 a.m. each trading day of the opening buying and selling rates for United States and Canadian dollars, Pound Sterling and other foreign currencies. In addition, the Bank of Jamaica will require the following additional information:
 - (a) daily closing, buying and selling rates for the United States and Canadian dollar and the Pound Sterling, and other foreign currencies;
 - (b) Volumes bought and weighted average purchase rate;
 - (c) Volumes sold and weighted average selling rates;
4. Bank of Jamaica will aggregate information as at (4) above (03/05/93) and Report on:
 - (a) the daily simple arithmetic average opening buying and selling Rates by 9:30 a.m.;
 - (b) the daily simple arithmetic average closing buying and selling Rates;
 - (c) Volumes bought and weighted average buying rates;
 - (d) Volumes sold and weighted average selling rates;

5. For purposes of customs valuations and official statistics, the official rate will be related to the weighted average selling rate for the system as a whole.
6. All participants in the foreign exchange market may carry out their exchange transactions, spot or forward.

1994/01/06 The following guidelines established for the licensing of new authorized foreign exchange dealers on a limited basis. Applications received from institutions licensed and operating under the Financial Institutions Act 1992.

- (i) Applicants are not allowed to engage in the buying and selling of foreign exchange. Instead, a limited licence would allow these institutions to take foreign currency deposits; make foreign currency loans, borrow foreign currency abroad and arrange foreign currency lines of credit for their customers.
- (ii) Applicants for limited foreign exchange dealership licenses, must in accordance with the Financial Institutions Act, have a minimum subscribed capital of J\$25 million and an unimpaired paid up capital of at least J\$20 million.

1994/01/06 (iii) The licensee must be prepared to invest in the training of staff to carry out the specified operations efficiently.

- (iv) The licensee must demonstrate in-house expertise to manage this new area of business.
- (v) The licensee is subject to monitoring and supervision by the Bank of Jamaica under the Financial Institutions Act. Institutions currently in breach of any of the provisions of this Act will not be considered until all such breaches have been satisfactorily dealt with.

- (v) Dealers are required to make weekly and monthly reports in the format prescribed by the Banking Supervision Department. All licensees are therefore required to adhere to the guidelines issued by the Bank of

Jamaica concerning each institution's exposure limit for foreign currency borrowing under loans and lines of credit arrangements.

- (vii) Each licensee is required to pay an annual foreign exchange dealership fee in cost of monitoring their operations.

- (viii) Breaches of licensing and operating requirements to attract sanctions applied as follows:

- (a) Investigations by the Bank of Jamaica which bring to light breaches of license condition and operating rules will be brought to the attention of company management by way of a warning letter.
- (b) A second breach within a one year period will result in a suspension of the Authorized Dealer's license for a period of five (5) days.
- (c) A third breach within a one year period will result in the revocation of the Dealer's license.

1994/02/07 The following conditions will apply to all persons who qualify to operate cambios:-

- (a) The successful applicant will be required to pay an annual fee of US\$2,500 or the Jamaica dollar equivalent for each location. An applicant will be allowed to operate more than one location. Cambio licenses are renewable not transferable;
- (b) Licensees operating in hotels and at ports of entry will be required to operate in such a manner that the special requirements of these locations will be satisfied;
- (c) Licensees can purchase foreign currency notes and travellers cheques in unlimited amounts and drafts and money orders up to a maximum of US\$2,500 or its equivalent in other currencies, in any one transaction, but can only sell in the form of cash at prevailing market rates;
- (d) Licensees will be required to sell twenty percent (20%) of the gross amount of foreign exchange purchased to Bank of Jamaica;
- (e) At the end of each working day the licensee should not be holding more than the equivalent of three days gross purchase;
- (f) Licensees will be required to maintain proper accounts, and will be required to report to Bank of Jamaica, a summary of the record of daily transactions.

Breaches of licensing and operating requirements will attract sanctions, which could lead to the licence being revoked.

1994/03/18 The Bank of Jamaica to pay to selected commercial banks a fee of three-sixteenths of one percent (3/16ths of 1%) of the Jamaica Dollar amounts they disburse to Cambios/Bureaux de Change on Bank of Jamaica's behalf for the following services.

- (i) Opening and maintaining a U.S. Dollar Account in the name of Bank of Jamaica;
- (ii) Receiving U.S. Dollars from Cambios/Bureaux de Change and depositing same immediately to the abovementioned U.S. dollar Account. The U.S. Dollar instruments which are acceptable for credit to the account are:-
 - (a) Bankers Drafts drawn in favour of the Bank of Jamaica by a local commercial bank on its U.S. Dollar account in the United States of America.
 - (b) Wire (Telegraphic) transfers.
 - (c) U.S. Dollar Currency Notes.
- (iii) Paying Cambios/Bureaux de Change, on behalf of the Bank of Jamaica, the Jamaica Dollar equivalent of U.S. Dollar amounts deposited by each Cambio/Bureau de Change at the rate of exchange which is communicated on a daily basis.
- (iv) Making daily returns to the Bank of Jamaica of the details of deposits to the U.S. Dollar Account. The returns to show:
 - (a) Name and/or reference number of Cambio/Bureau de Change which made the deposit(s);
 - (b) U.S. Dollar amount(s) deposited per Cambio/Bureau de Change;
 - (c) Total Jamaica Dollar amount paid out to each Cambio/Bureau de Change;
 - (d) Total Deposits for the day;
 - (e) Total Jamaica Dollar paid out for the day, recoverable from the Bank of Jamaica.
- (v) Submitting to Bank of Jamaica the information at four (iv) by 3:45 p.m. Mondays-Thursdays and by 4:45 p.m. on Fridays.

The Bank of Jamaica will reimburse the banks on a same day basis by crediting their account with the total Jamaica Dollar amount paid out to Cambios/Bureaux de Change for the day, as long as the relevant data is received within the time specified at five (v) above. Service fees paid on a monthly basis upon receipt of claim.

1994/03/21 U.S. Dollar cash acceptable for credit to the account only if the Cambio/Bureau de Change is prepared to absorb the commercial banks' charges associated with the processing of cash. There will, therefore, be no need for the three sixteenths of one percent (3/16ths of 1%) fee by the Bank of Jamaica to be changed.

1994/04/25 The following are amendments to the operational rules relating to Bureaux de Change and Cambios:-

- (1) Transactions involving the sale and purchase of foreign currency notes (cash) are to be limited to US\$10,000 or its equivalent in any single transaction;
- (2) The limit on the amount of foreign currency which may be purchased in the form of drafts, money orders and other foreign effects is to be increased from US\$2,500 to US\$10,000 or its equivalent in other currencies;
- (3) Foreign currency may now be sold in the form of travellers cheques (in addition to cash).

1994/05/12 The Minister of Finance signed an exemption order under Section 25(c) of the Bank of Jamaica Act which allows persons to buy goods and services in foreign currency and receive the change in Jamaican dollars.

1994/10/03 Bank of Jamaica will purchase foreign exchange from authorized dealers at the average selling rate of authorized dealers as a whole, or the average buying rate of authorized dealers as a whole plus a margin of 1.25 percent, whichever is lower.

The following are further amendments to the Cambio Operational Guidelines:-

- (1) The ceiling for transactions involving drafts and money orders is increased from US\$10,000 to US\$50,000 or the equivalent in other currencies in respect of any one transaction. The ceiling for cash transactions remains at US\$10,000 or the equivalent in other currencies in respect of each transaction, and transactions involving travellers cheques will continue to be without limit;
- (2) The maximum amount of foreign currency which Bank of Jamaica will purchase from a Cambio operator will not in any case exceed sixty percent (60%) of that operator's foreign currency purchases. Cambio operators are still required to sell a minimum of twenty percent (20%) of their gross foreign currency purchases to BOJ at least once per fortnight;

- (3) Bankers Drafts issued in favour of Bank of Jamaica should only be deposited to Bank of Jamaica's Cambio deposit account at the issuing bank.

1994/11/01 The maximum amount of foreign currency which Bank of Jamaica will purchase from a Cambio operator will not in any case exceed fifty percent (50%) of that operator's foreign currency purchases.

Purchases of foreign currency by the Bank of Jamaica from Authorized Dealers on a daily basis will be reduced from twenty percent (20%) to fifteen percent (15%) of their gross purchases.

1994/11/08 Foreign currency balances held in Cambio Deposit Accounts operated by Bank of Jamaica at commercial banks to receive amounts surrenderable by Cambios/Bureaux de Change to BOJ, are not regarded as prescribed liabilities for the purpose of calculating cash reserve and liquid asset requirements.

1994/12/05 Purchases of foreign currency by the Bank of Jamaica from Authorized Dealers on a daily basis have been reduced from fifteen percent (15%) to ten percent (10%) of their gross purchases.

The following are further amendments to the Cambio operational guidelines:

- (1) The ceiling for transactions involving drafts and money orders has been increased from US\$50,000 to US\$100,000 or the equivalent in other currencies in respect of any one transaction. The ceiling for cash transactions remain at US\$10,000 or the equivalent in other currencies in respect of each transaction and transactions involving travellers cheques will continue to be without limit.

- (2) The maximum amount of foreign currency which the Bank of Jamaica will purchase from a single Cambio will not in any case, exceed forty-five percent (45%) of that Cambio's foreign currency purchases. Cambios are still required to sell a minimum of twenty percent (20%) of their gross foreign currency purchases to the Bank of Jamaica at least once per fortnight.

1995/01/11 Purchases of foreign exchange by the Bank of Jamaica from Authorized Dealers on a daily basis was reduced from 10 percent to 5 percent of their gross purchases.

The rate at which the Bank of Jamaica will purchase foreign exchange from Authorized Dealers will be the average selling rate of Authorized Dealers as a whole, or the average buying rate of Authorized Dealers as a whole plus a margin of 1 percent, whichever is lower.

1995/01/16 The following are further amendments to the Cambio operational guidelines:

1. The maximum amount of foreign currency which Bank of Jamaica will purchase from any single Cambio, will not in any case exceed forty percent (40%) of that Cambio's foreign currency purchases. Cambios are still required to sell a minimum of twenty percent (20%) of their gross foreign currency purchases to the Bank of Jamaica at least once per fortnight.
2. The Bank of Jamaica will purchase foreign currency from Cambios each day, at a price not exceeding the day's weighted average selling rate of the authorized foreign currency dealers as a whole, **or** the weighted average buying rate of the authorized foreign currency dealers as a whole, plus a margin of one percent (1%), whichever is lower. All other Cambio operational guidelines remain in force.

1995/04/03 The rate at which Bank of Jamaica will purchase foreign exchange from Authorized Dealers will be the average selling rate of Authorized Dealers as a whole, **or** the average buying rate of Authorized Dealers as a whole plus a margin of 0.75 percent, whichever is lower.

The following are amendments to the Cambio Operational Guidelines:

1. The **maximum** amount of foreign currency which Bank of Jamaica will purchase from a single Cambio will not in any case exceed thirty percent (30%) of that Cambio's foreign currency purchases each week. Cambios are now required to sell a minimum of twenty percent (20%) of their gross foreign currency purchases to the Bank of Jamaica at least once per week.
2. The Bank of Jamaica will purchase foreign currency from Cambios each day, at a price not exceeding the preceding day's weighted average selling rate of the authorised foreign currency dealers as a whole, **or** the weighted average buying rate of the authorised foreign currency dealers as a whole, plus a margin of point seven five percent (0.75%), whichever is lower.

1995/04/24 The rate at which Bank of Jamaica will purchase foreign exchange from Authorized Dealers will be the average selling rate of Authorized Dealers as a whole, **or** the average buying rate of Authorized Dealers as a whole plus a margin of 1.00 percent, whichever is lower.

The following are further amendments to the Cambio Operational Guidelines:

1. The Bank of Jamaica will purchase foreign currency from Cambios each day, at a price not exceeding the preceding day's weighted average selling rate of the authorized foreign currency dealers as a whole, plus a margin of one percent (1%), whichever is lower.
2. The prescribed fee for each initial approval will remain at two thousand five hundred United States Dollars (US\$2,500.00), or its equivalent in Jamaica Dollars. Thereafter, the renewal fee in respect of each Cambio will be one thousand five hundred United States Dollars (US\$1,500.00) per annum, or its equivalent in Jamaica Dollars.

All other Cambio Operational Guidelines remain in force.

1995/07/27 The following is an amendment to the Cambio Operational Guidelines:

The Bank of Jamaica will purchase foreign currency from Cambios each day, at a price not exceeding the preceding day's weighted average selling rate of the authorized foreign currency dealers as a whole.

All other Cambio Operational Guidelines remain in force.

1995/08/01 Foreign Currency 'A' Accounts to be included among prescribed liabilities and to be subject to the same level of cash reserves as is applicable in respect of other foreign currency deposits.

1995/08/22 The following are amended guidelines for the Inter-Bank Foreign Exchange Market:

1. Each authorized foreign exchange dealer will establish its own buying and selling rates of exchange which is to be market determined. However, the maximum spread between buying and selling rates in respect of foreign exchange transactions should not exceed one and one half percent (1 1/2%). Also no commissions (in addition to the spread between buying and selling rates) should be charged by Authorized Dealers.
2. Participants in the foreign exchange market should carry out transactions on the spot market only.

2. In accordance with the present arrangement all authorized foreign exchange dealers will surrender a prescribed portion (currently at 5%) of their purchases to Bank of Jamaica. Bank of Jamaica currently purchases foreign exchange from Authorized Dealers at the weighted average selling rate of Authorized Dealers as a whole.

1995/08/22 **Counter Transactions**

3. Each authorized foreign exchange dealer will utilize the FCMIS to advise the Bank of Jamaica by 9:00 a.m. each trading day of the opening buying and selling rates for United States and Canadian dollars, Pound Sterling and other foreign currencies. In addition, the Bank of Jamaica should be provided with the following additional information:
 - (a) closing buying and selling rates for the United States and Canadian dollars and the Pound Sterling, and other foreign currencies;
 - (b) volumes bought and weighted average purchase rates (by currency);
 - (c) volumes sold and weighted average selling rates (by currency);

Contract Transactions

3. Authorized Dealers are required to input all contracts negotiated outside of the posted counter rates or the equivalent in other currencies as soon as contracts are negotiated. Data should include contracts for purchase of foreign exchange with the respective buying rate and contracts for sale of foreign exchange with the respective selling rate;

Foreign Currency Deposits

4. Authorized dealers are required to report on gross deposits to and withdrawals from foreign currency accounts held in their institutions.
5. Authorized dealers should input all foreign exchange trading data by 5:30 p.m., Mondays to Thursday and by 6:00 p.m. on Fridays.
8. In the event that an Authorized Dealer is unable to access the FCMIS; the dealer is required to submit the requisite foreign

exchange trading data by facsimile by 4:30 p.m. on the reporting date. (The Bank of Jamaica should be advised by telephone that the data will be transmitted by facsimile).

1995/11/08 The following is an amendment to the Cambio Operational Guidelines:-

The maximum amount of foreign currency which Bank of Jamaica will purchase from a single cambio will not in any case exceed thirty percent (30%) of that Cambio's foreign currency purchases each week. Cambios are now required to sell a minimum of five percent (5%) of their gross foreign currency purchases to the Bank of Jamaica at least once per week.

All other Cambio Operational Guidelines remain in force.

1996/06/04 The Bank of Jamaica temporarily suspended the surrender requirement of five to thirty percent (5-30%) of gross purchases by Cambios.

1996/06/05 The maximum amount of foreign currency which the Bank of Jamaica will purchase will not, in any case, exceed ten percent (10%) of each Cambio's daily foreign currency purchases. Cambios are still required to sell a minimum of five percent (5%) of their gross foreign currency purchases at least once per week.

2001/10/23 Surrenders in Canadian dollars and Great Britain Pounds by all Authorised Dealers and Cambios to the Bank of Jamaica will be purchased at the previous day's published 10-day moving average selling rate of the respective currency.
The rate applicable to surrenders in United States dollars remains unchanged at the previous day's weighted average selling rate.

2001/11/05 The Bank of Jamaica (BOJ) has implemented the following surrender arrangements with authorized dealers and cambios:

1. Authorized dealers and cambios are required to surrender to the BOJ a minimum of five percent (5%) but may surrender a maximum of ten percent (10%) of their daily gross foreign exchange purchases from commercial clients (this excludes purchases from authorized dealers, cambios or the BOJ).
2. Surrenders can be made in either of the three major currencies - United States Dollar (USD), Canadian Dollar (CAD), and Great Britain Pound (GBP). Surrenders for CAD and GBP purchases may be made in USD and must be converted at cross currency rates derived from the respective weighted average buying rates in the local market on the day of purchase.

3. The surrender rates for the three currencies will be the weighted average selling rate of the previous business day.
4. The frequency of surrenders to the BOJ may be done utilizing one of the following methods:

Daily surrenders, whereby authorized dealers and cambios deliver funds to the BOJ on the business day immediately following the day of purchase. The surrender rate will be the previous business day's weighted average selling rate.

2009/02/03 The Bank of Jamaica established the Foreign Exchange Surrender Facility for public sector entities (PSE Facility). The aim of the facility is to centralize foreign currency demand of the public sector, especially Port Authority of Jamaica (PAJ), National Water Commission (NWC) and Petrojam. Under this facility Commercial Banks agreed to surrender fifteen percent (15%) of foreign currency purchases daily. The pre-existing requirement where Authorized Dealers and Cambios surrender within range of five percent (5%) to ten percent (10%) of their gross foreign currency purchases from commercial clients remains in effect. Therefore commercial banks are to surrender, in total between twenty percent (20%) to twenty-five percent (25%) of foreign currency purchases daily.

2017/04/27 **BANK OF JAMAICA TO PREPAY FOREIGN CURRENCY
CERTIFICATES OF DEPOSIT (CDs)**

Bank of Jamaica today gave notice of its intention to exercise the option to repay over US\$112 million to holders of the USD CDs. In accordance with the contractual three-month notice period applicable to each instrument, repayment of the principal amount as listed plus accrued interest will be made on **Friday, 28 July 2017**. The Bank considers it prudent to redeem these instruments at this time as they feature coupons that are higher than current market rates for similar instruments. The prepayment will also inject over US\$112 million in US dollar liquidity into the market. Notwithstanding the three-month prepayment notice, Bank of Jamaica intends to make an offer to registered holders of these instruments to **immediately redeem all or part of the principal amount**. This offer will be made in a separate notice. Jamaica's foreign exchange reserves are at comfortable levels. The Net International Reserves are currently at an all-time high of US\$2.9 billion. Under the current precautionary Stand-by Arrangement with the International Monetary Fund, focus is placed on the level of non-borrowed reserves which, at US\$1.9 billion, are currently well ahead of the semi-annual targets for 2017.

2017/06/27 BOJ PILOTS UPDATE OF FOREIGN EXCHANGE TRADING OPERATIONS

Effective 26 July 2017, Bank of Jamaica commenced selling foreign exchange (FX) to Authorized Dealers (ADs) and eligible Cambios via a competitive bidding process. The introduction of this new framework was followed by 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 intended to sell to the market on Wednesday of each week. All ADs and eligible Cambios were invited to submit bids to purchase FX from Bank of Jamaica at exchange rates that they specify. The Bank published a report from each operation on the same day, including the weighted average exchange rate arising from the operation, and also introduced 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.

2017/06/28 Results for Bank of Jamaica B-FXITT Sale Operation:

Applications were opened by Bank of Jamaica on **Wednesday, 28 June 2017** for the B-FXITT PILOT sale operation of **USD 10 000 000.00** for allocation to eligible Authorised Dealers and Cambios for settlement on Thursday, 29 June 2017.

2017/08/23 Results for Bank of Jamaica B-FXITT Sale Operation:

Applications were opened by Bank of Jamaica on **Wednesday, 23 August 2017** for the B-FXITT Standard Intervention Tool – sale operation of **USD 5 000 000.00** for allocation to eligible Authorised Dealers and Cambios for settlement on Thursday, 24 August 2017.

2017/09/06 Results for Bank of Jamaica B-FXITT Sale Operation:

Applications were opened by Bank of Jamaica on **Wednesday, 06 September 2017** for the B-FXITT Standard Intervention Tool – sale operation of **USD 10 000 000.00** for allocation to eligible Authorised Dealers and Cambios for settlement on Thursday, 07 September 2017.

2017/09/11 RE: B-FXITT – STANDARD INTERVENTION TOOL -SALE OPERATION: FOUR-WEEK SCHEDULE

The Bank is advising of the sale of US Dollars to Eligible Authorised Dealers and Cambios totaling **USD70.0 million over the next four weeks.**

2017/09/22 TO: AUTHORISED DEALERS & CAMBIOS
RE: B-FXITT – STANDARD INTERVENTION TOOL -SALE OPERATION: FOUR-WEEK SCHEDULE

The Bank is advising of the sale of US Dollars to Eligible Authorised Dealers and Cambios totaling **USD40.0 million over the next four weeks.**

2017/10/02 TO: AUTHORISED DEALERS & CAMBIOS
RE: B-FXITT – STANDARD INTERVENTION TOOL -SALE OPERATION: FOUR-WEEK SCHEDULE

The Bank is advising of the sale of US Dollars to Eligible Authorised Dealers and Cambios totaling **USD40.0 million over the next four weeks.**

2017/11/01 Results for Bank of Jamaica B-FXITT Sale Operation:
Applications were opened by Bank of Jamaica on **Wednesday, 01 November 2017** for the B-FXITT Standard Intervention Tool – sale operation of **USD 7 000 000.00** for allocation to eligible Authorised Dealers and Cambios for settlement on Thursday, 02 November 2017.

2018/03/01 BOJ Adjusts Exchange Rate for Cambio Cash Surrenders:
Effective 01 May 2018, Bank of Jamaica will purchase cash surrenders from Cambios at the mid-day rate less a discount factor of 2.00 per cent. This discount rate represents an increase from the previous discount of 0.25 per cent. Handling cash is costly and has to bear the burden of a discount, but compared to prevailing market rates for cash transaction in the foreign exchange market, the 0.25 percent rate discount charged by BOJ is in effect a premium that is out of line with the market in general. In that regard, in the interest of greater equity and transparency, this premium is now being removed to bring the Bank’s exchange rate for cash surrenders in line with the market rates for cash. This move thereby removes any possible distortion in the market that may arise from Bank of Jamaica’s trades with Cambios.

2018/03/07 B-FXITT NOW READY TO CONDUCT BUY OR SELL OPERATIONS
Having completed the rollout of the sell side of the BOJ Foreign Exchange Intervention & Trading Tool (B-FXITT), the Bank is pleased to announce it is now in a position to commence buy side operations. Each weekly B-FXITT announcement will be a four-week advance notice of either a buy operation, a sell operation or no operation. Kindly note that buying and selling operations will **NOT** be conducted simultaneously. Decisions to conduct a buy operation will also be driven by market intelligence and the Bank’s assessment of market conditions as has been the case since sell operations began on 26 July 2017. The rules of the buy operation are similar to those of the sell operation. Participation for authorized dealers and cambios is not mandatory.

It is important to note that the Bank has been purchasing foreign exchange from the market on a regular basis through the surrender arrangements and therefore B-FXITT buy operations will not fundamentally change market dynamics. The difference is that using the competitive auctioning process of B-FXITT to buy foreign exchange from the market is a more modern, efficient and transparent approach. Regular buy operations using B-FXITT are intended gradually to replace the Bank’s purchases through the surrender.

2018/07/04 Results for Bank of Jamaica B-FXITT Buy Operation. Applications were opened by Bank of Jamaica on **Wednesday, 04 July 2018** for the B-FXITT Standard Intervention Tool – buy operation of **USD10 000 000.00** for acceptance from Eligible Sellers for settlement on Thursday, 05 July 2018.

The results of the B-FXITT buy operation are as follows: *B-FXITT Buy Operation Number: BOJ/FX-B/20180704/011*

Operation Amount	\$10,000,000.00
Total Eligible Offers Received ¹	26
Total Value of Eligible Offers Received	\$11,350,000.00
Number of Offers Accepted	24

Total Value of Accepted Offers	\$10,000,000.00
Weighted Average Price for Total Eligible offers:	\$131.41
Weighted Average Price for Accepted offers:	\$131.17
Lowest Submitted Offer Price (\$) / Amount (USD)	\$126.80/\$1,000,000.00
Highest Submitted Offer Price (\$) / Amount (USD)	\$134.00/\$200,000.00
Highest Offer for Full Allocation Price (\$) / Amount (USD)	\$132.93/\$750,000.00
Offer Price for Partial Allocation	\$133.00
Partial Allocation Percentage	45.83%

2018/07/25 Bank of Jamaica B-FXITT Buy Operation:

Applications were opened by Bank of Jamaica on **Wednesday, 25 July 2018** for the B-FXITT Standard Intervention Tool – buy operation of **USD5 000 000.00** for acceptance from Eligible Sellers for settlement on Thursday, 26 July 2018.

2018/07/31 Results for Bank of Jamaica B-FXITT Buy Operation

Applications were opened by Bank of Jamaica on **Tuesday, 31 July 2018** for the B-FXITT Standard Intervention Tool – buy operation of **USD4 500 000.00** for acceptance from Eligible Sellers for settlement on Thursday, 02 August 2018.

2018/08/08 Results for Bank of Jamaica B-FXITT Buy Operation:

Applications were opened by Bank of Jamaica on **Wednesday, 08 August 2018** for the B-FXITT Standard Intervention Tool – buy operation of **USD4 500 000.00** for acceptance from Eligible Sellers for settlement on Thursday, 09 August 2018.

2018/08/22 Results for Bank of Jamaica B-FXITT Sale Operation:

Applications were opened by Bank of Jamaica on **Wednesday, 22 August 2018** for the B-FXITT Standard Intervention Tool – sale operation of **USD 15 000 000.00** for allocation to Eligible Bidders for settlement on Thursday, 23 August 2018.

2018/08/24 Results for Bank of Jamaica B-FXITT Flash Intervention Tool Sale Operation

Applications were opened by Bank of Jamaica on **Friday, 24 August 2018** for the B-FXITT Flash Intervention Tool – sale operation of **USD 40 000 000.00** for allocation to Eligible Bidders for settlement on Monday, 27 August 2018.

2018/08/24 Offer of Fixed Rate US-Dollar Indexed Note The Bank of Jamaica announces the issue of a two year FR US-Dollar Indexed Note. Offer period Aug 27- Aug 31, 2018. Offer amount Unlimited. Maturity date 27, August 2020.

2018/08/29 Results for Bank of Jamaica B-FXITT Sale Operation Applications were opened by Bank of Jamaica on Wednesday, 29 August 2018 for the B-FXITT Standard Intervention Tool – sale operation of **USD 16 500 000.00** for allocation to Eligible Bidders for settlement on Thursday, 30 August 2018.

2018/09/04 **B-FXITT – STANDARD INTERVENTION TOOL -FX OPERATION: FOUR-WEEK SCHEDULE** Bank of Jamaica is advising of its B-FXITT operations with Eligible Authorised Dealers and Cambios totaling USD41.0million in sales over the next four weeks.

2018/09/12 Results of Bank of Jamaica Sale Operation Applications were opened on Wednesday, 12 September 2018 for the B-FXITT – Standard Intervention Tool –sale operation of USD 11 000 000.00 for allocation to Eligible bidders for settlement on Thursday, 13 September 2018.

2018/09/19 Results for Bank of Jamaica B-FXITT Sale Operation Applications were opened by Bank of Jamaica on **Wednesday, 19 September 2018** for the B-FXITT Standard Intervention Tool – sale operation of **USD 11 000 000.00** for allocation to Eligible Bidders for settlement on **Thursday, 20 September 2018.**

2018/09/26 Results for Bank of Jamaica B-FXITT Sale Operation Applications were opened by Bank of Jamaica on **Wednesday, 26 September 2018** for the B-FXITT Standard Intervention Tool – sale operation of **USD 11 000 000.00** for allocation to Eligible Bidders for settlement on **Thursday, 27 September 2018.**

2018/10/10 Results for Bank of Jamaica B-FXITT Sale Operation Applications were opened by Bank of Jamaica on **Wednesday, 10 October 2018** for the B-FXITT Standard Intervention Tool – Sale Operation of **USD 10 000 000.00** for allocation to Eligible Bidders for settlement on **Thursday, 11 October 2018.**