

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

### LIQUID ASSETS AND CASH RESERVE RATIOS

- 1984/02/09 Required liquid asset ratio of commercial banks up from 36 percent to 40 percent.  
Cash reserve ratio up from 5 percent to 7 percent.
- 1984/03/12 Cash reserve ratio up from 7 percent to 9 percent.
- 1984/03/31 Required liquid assets of near banks (merchant banks, trust companies, etc.) up from 10 percent to 15 percent.
- 1984/04/11 Cash reserve ratio up from 9 percent to 10 percent.
- 1984/09/05 Voluntary liquid assets ratio of 44 percent introduced pending amendment of Bank of Jamaica Act permitting maximum ratio of up to 50 percent.
- 1984/09/20 Cash reserve ratio up from 10 percent to 12 percent.
- 1984/10/22 Cash reserve ratio up from 12 percent to 14 percent.  
Commercial banks to operate two separate accounts with Bank of Jamaica.
- (1) Statutory Reserve Account - this stipulated that banks are required to comply with the cash reserve requirement on a daily basis. This is measured as the average of deposits held in this account.
  - (2) Clearing House Account - this will be counted as part of the banks' liquid assets and attracts interest on credit balances at a rate corresponding to the average discount rate for Treasury Bills.
- 1984/11/01 Liquid assets ratio of 44 percent formalized.
- 1985/04/04 Required liquid assets ratio of commercial banks up from 44 percent to 48 percent.  
Cash reserve ratio of commercial banks up from 14 percent to 15 percent.
- 1985/06/06 Cash reserve ratio of commercial banks up from 15 percent to 17 percent.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- 1985/06/13 Required liquid assets ratio of trust companies, merchant banks and finance companies up from 15 percent to 20 percent.
- 1985/06/21 Cash reserve ratio of commercial banks up from 17 percent to 19 percent.
- 1985/07/08 Cash reserve ratio up from 19 percent to 20 percent.
- 1985/10/21 Required liquid assets ratio of trust companies, merchant banks and finance houses up from 20 percent to 21 percent.
- Introduction of 1 percent cash reserve ratio for trust companies, merchant banks and finance houses.
- 1985/11/05 Required liquid assets ratio of trust companies, merchant banks and finance houses up from 21 percent to 23 percent.
- Cash reserve ratio of trust companies, merchant banks and finance houses up from 1 percent to 3 percent.
- 1985/12/04 Required liquid asset ratio of trust companies, merchant banks, and finance houses up from 23 percent to 25 percent.
- Cash reserve ratio of trust companies, merchant banks and finance houses up from 3 percent to 5 percent.
- 1986/01/02 Interest, payable to Bank of Jamaica by commercial banks and institutions operating under the Protection of Depositors Act, for deficiency in cash reserve and liquid assets ratios increased from one-tenth of one percent per day to one-sixth of one percent per day.
- 1986/02/01 Required liquid assets ratio of commercial banks down from 48 percent to 44 percent.
- The proportion of specified assets which qualifies as liquid assets reduced from 5 percent to 3 percent of prescribed liabilities.
- Termination of interest paid on current account balances held by commercial banks with Bank of Jamaica. Interest will be paid on cash reserve account held by commercial banks, with Bank of Jamaica, up to a maximum of 3 percent of prescribed liabilities at the same rate currently paid on current accounts.
- 1986/05/01 Required liquid assets ratio of commercial banks down from 44 percent to 38 percent.
- Savings deposits rate down from 20 percent to 16 percent.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- Required liquid assets ratio of merchant banks, trust companies and finance houses down from 25 percent to 20 percent.
- 1986/05/05 New liquidity support facility effected.
- 1987/03/26 Required liquid assets ratio of commercial banks down from 38 percent to 35 percent.
- Required liquid assets ratio of P.D.A. financial institutions down from 20 percent to 18 percent.
- 1988/01/27 Required liquid assets ratio of commercial banks down from 35 percent to 30 percent.
- Required liquid assets ratio of P.D.A. financial institutions down from 18 percent to 13 percent.
- 1988/02/24 Required liquid assets ratio of commercial banks down from 30 percent to 25 percent.
- Required liquid assets ratio of P.D.A. financial institutions down from 13 percent to 9 percent.
- 1988/03/24 Required liquid assets of commercial banks down from 25 percent to 20 percent.
- Required liquid assets of P.D.A. financial institutions down from 9 percent to 5 percent.
- 1988/03/30 Interest payment on cash reserve balances held by commercial banks increased from 15 percent to 30 percent.
- 1989/07/01 Required cash reserve ratio of commercial banks down from 20 percent to 19 percent. Required liquid assets ratio remains at 20 percent.
- Required liquid assets ratio of P.D.A. financial institutions down from 5 percent to 4.5 percent.
- 1990/04/01 Commercial banks liquid assets ratio increased from 20 percent to 25 percent.
- Liquid assets ratio of PDA institutions up from 4.5 percent to 7.5 percent.
- Cash reserve ratio of commercial banks up from 19 percent to 19.5 percent.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- Cash reserve ratio of PDA institutions increased from 4.5 percent to 5.0 percent.
- 1990/05/01 Required liquid assets ratio of commercial banks up from 25 percent to 27.5 percent.
- Cash reserve ratio of commercial banks up from 19.5 percent to 20 percent.
- Cash reserve ratio of PDA institutions increased from 5 percent to 5.5 percent.
- 1990/06/01 Cash reserve ratio of PDA institutions increased from 5.5 percent to 6 percent.
- 1990/11/01 The liquid assets ratio of commercial banks increased from 27.5 percent to 32.5 percent.
- Liquid assets ratio of PDA institutions up from 7.5 percent to 8.0 percent.
- 1990/12/01 Commercial banks and other deposit-taking institutions will now treat as part of their liquid assets, three quarterly principal redemptions of their equity investment bonds issued prior to October 1990.
- Liquid assets ratio of PDA institutions increased from 8.0 percent to 8.5 percent
- 1991/01/01 The Liquid Assets Ratio of commercial banks increased from 32.5 percent to 33.5 percent.
- Liquid Assets Ratio of PDA institutions increased from 8.5 percent to 9 percent.
- 1991/04/01 Cash reserve ratio of PDA institutions increased from 6.0 percent to 6.5 percent.
- Liquid assets ratio of commercial banks down from 33.5 percent to 20.0 percent.
- 1991/05/01 Cash reserve ratio of PDA institutions increased from 6.5 percent to 7.0 percent.
- 1991/06/01 Cash reserve ratio of PDA institutions increased from 7.0 percent to 7.5 percent.
- 1991/07/01 Cash reserve ratio of PDA institutions increased from 7.5 percent to 8.0 percent.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- 1991/07/10 Cash reserve ratio of PDA institutions increased from 7.5 percent to 8.0 percent.
- 1991/08/01 Cash reserve ratio of PDA institutions increased from 8.0 percent to 8.5 percent.
- 1991/09/01 Cash reserve ratio of PDA institutions increased from 8.5 percent to 9.0 percent.
- 1991/10/01 Cash reserve ratio and liquid assets ratio of PDA institutions increased from 9.0 percent to 9.5 percent.
- 1991/11/01 Cash reserve ratio of commercial banks reduced from 20 percent to 19 percent.
- 1991/12/01 With respect to reserve requirements against foreign currency reserves, the following new arrangements are now effective:
- (a) A prudential reserve of 40 percent should be held against all foreign currency accounts excluding 'A' accounts.
  - (b) A cash reserve of 20 percent (which will form part of the prudential reserve) should be held against the foreign currency deposits indicated in (a).  
  
Separate cash reserves will be required in respect of deposits in United States and Canadian dollars, and the Pound Sterling. Deposits in other currencies will be converted into either of the aforementioned currencies for purposes of determining the cash reserve.
  - (c) Although no cash reserve will be held against foreign currency 'A' accounts, the prudential reserve against these accounts will remain at 50 percent.
- 1991/12/23 Amendments to Section 29 of the Bank of Jamaica Act approved by Parliament to incorporate the following:-
- (a) The liquid assets ratio actually held by each commercial bank as at November 20, 1991, has been set as the required level until changed through the appropriate procedure.
  - (b) In so far as the requirement at (a) above is a retrospective provision, banks will not be subject to the normal penalties under the Banking Act for failure to maintain the prescribed ratios in respect of the period from November 21 to the commencement of the Act.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- (c) The amendment provides the Bank of Jamaica with greater flexibility in administering the liquid assets requirements. These provisions allow, for example, different percentages to be fixed for different commercial banks over specified periods.

1992/01/15	Liquid assets ratio of commercial banks adjusted to conform with schedule as provided for individual banks. (See note 23/12/91).
1992/03/15	Liquid assets ratio of commercial banks adjusted to conform with schedule as provided for individual banks.
1992/04/15	Liquid assets ratio of commercial banks adjusted to conform with schedule as provided for individual banks.
1992/05/01	Cash reserve ratio and liquid assets ratio of PDA institutions increased from 9.5 percent to 11.0 percent.  Cash reserve ratio of commercial banks increased from 19 percent to 21 percent.  Liquid assets ratio of commercial banks adjusted to conform with schedule as provided for individual banks.
1992/06/01	Cash reserve ratio of commercial banks increased from 21 percent to 23 percent.  Liquid assets ratio of commercial banks adjusted to conform with schedule as provided for individual banks.  The Prudential Reserve against all foreign currency accounts, including "A" accounts standardized at a level of 40 percent.
1992/07/01	Cash reserve ratio and liquid asset ratio of PDA institutions increased from 11 percent to 12 percent.  Cash reserve ratio of commercial banks increased from 23 percent to 25 percent. Liquid asset ratio of commercial banks increased to 50 percent.
1992/07/01	The cash reserve applicable in respect of all foreign currency deposit accounts (excluding non-taxable 'A' accounts) will be the same percentage as is applicable to domestic (J\$) deposit liabilities.
1992/09/14	Variable rate Local Registered Stock 1994 qualified as liquid asset.
1992/10/01	Cash reserve and liquid asset ratio of PDA institutions increased from 12 percent to 13 percent.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- 1993/01/01 Cash reserve and liquid asset ratio of FIA institutions increased from 13 percent to 14 percent.
- 1993/04/01 Cash reserve and liquid asset ratio of FIA institutions increased from 14 percent to 15 percent.
- 1993/07/01 Cash reserve and liquid assets ratio of FIA institutions increased from 15 percent to 16 percent.
- 1993/09/01 Cash reserve and liquid assets of FIA institutions increased from 16 percent to 17 percent.
- 1993/09/15 Government of Jamaica 7 1/2 percent United States dollar Bearer Bonds which matures on 16th September, 1994 to now qualify as liquid assets.
- 1993/12/09 The following measures are a revision of the conditions governing Bank of Jamaica's liquidity accommodation of commercial banks:-
- (i) For commercial banks in need of liquidity support, such support is immediately available through the Bank of Jamaica's purchase of foreign exchange from those banks, at each individual bank's weighted average selling rate.
  - (ii) Liquidity accommodation will only be provided by the Bank of Jamaica when there is satisfaction that other options for portfolio adjustment and interbank accommodation have been explored; (the utilization of these options is strongly encouraged).
  - (iii) The Bank of Jamaica, in its capacity of 'lender of last resort' will allow liquidity support at a rate of 90 percent for up to three days (not necessarily consecutive) of any month, and then at a rate of 120 percent for additional days.
- 1994/01/17 Government of Jamaica Variable Rate Local Registered Stock issued on December 3, 1993 and maturing on April 3, 1995 qualified as liquid asset.
- 1994/04/29 Cash reserve ratio of commercial banks foreign currency deposits down from 25 percent to 22 percent.
- 1995/01/03 Commercial Banks' cash reserve ratio for foreign currency liabilities down from 22 percent to 20 percent.
- 1995/06/12 Building Societies now required to hold a cash reserve ratio of 1 percent of deposits and withdrawable shares and a liquid assets ratio of 5 percent.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

1995/06/15 Liquid Assets ratio of commercial banks reduced from 50 percent to 47 percent.

Cash reserve ratio remains at 25 percent.

Non-cash portion of liquid assets reduced from 25 percent to 22 percent.

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.

Commercial Banks to hold in foreign currency, cash reserves of 20 percent in relation to average Foreign Currency 'A' Accounts, and other relevant foreign currency deposits.

Liquid Assets ratio of FIA Institutions increased from 17 percent to 20 percent, broken down as follows: cash reserve - 17 percent; non-cash reserve - 3 percent. This is applicable to both domestic and foreign currency deposits.

1995/08/24 In accordance with section 28A of the Bank of Jamaica Act and as approved by the Minister of Finance, commercial banks are required to maintain with the Bank of Jamaica as a special deposit an amount representing a specified percentage of their prescribed liabilities.

Also in accordance with subsection (2) of section 28A of the Act, such special deposit may consist wholly or in part of cash or Government of Jamaica Treasury Bills. Interest will be paid by the Bank on special deposits as follows:-

1995/08/24 (a) where the special deposit is maintained in the form of cash, the rate of interest shall be twenty-two percent (22%) per annum;

(b) where the special deposit is maintained in the form of Treasury Bills, the rate of interest shall be .00001 percent per annum on the market value thereof as at the date on which the deposit is made with Bank of Jamaica.

1995/11/01 Liquid assets ratio of FIA institutions increased from 20 percent to 25 percent.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*



- 1995/12/01 Dual cash reserve ratios of one and three percent (1% & 3%) for Building Societies introduced.
- 1996/02/01 Liquid assets ratio of FIA institutions increased from 25 percent to 30 percent.
- 1996/03/01 Dual cash reserve ratios of one and five percent (1% & 5%) for Building Societies.
- 1996/05/01 Liquid assets ratio of FIA institutions increased from 30 percent to 35 percent.
- 1996/06/01 Dual cash reserve ratios of one and seven percent (1% & 7%) for Building Societies.
- 1996/09/01 Dual cash reserve ratios of one and nine percent (1% & 9%) for Building Societies.
- Dual liquid assets ratios of five and nine percent (5% & 9%) for Building Societies.
- 1996/12/01 Dual cash reserve ratios of one and eleven percent (1% & 11%) for Building Societies.
- Dual liquid assets ratios of five and eleven percent (5% & 11%) for Building Societies.
- 1996/12/02 Commercial banks no longer required to maintain with the Bank of Jamaica special deposits in accordance with Section 28a of the Bank of Jamaica Act.
- 1998/08/01 Cash reserve ratio of commercial banks reduced from 25 percent to 23 percent.
- Liquid assets ratio reduced from 47 percent to 45 percent.
- 1998/08/27 Government of Jamaica Retroactive Salary Bonds held by commercial banks, building societies and institutions under the Financial Institutions Act qualify as liquid assets within nine months of their maturity date.
- In respect of those building societies which have been designated authorized dealers under section two of the Bank of Jamaica Act, the following assets now qualify as foreign liquid assets:

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- a) short-term securities issued by the government of the United States of America, Canada or the United Kingdom;
  - b) short-term United States dollar, Canadian dollar or United Kingdom pound sterling deposits with foreign banks or foreign financial institutions rated either as 'A-1' or 'A-2' by Standard and Poor's Corporation or 'Prime-1' or 'Prime-2' by Moody's Investors Service;
  - c) foreign currency notes and coins;
- 1998/08/27
- d) such bonds, issued by the Government of Jamaica and denominated in foreign currency, as are specifically determined by the Minister to be liquid assets for the purpose of regulation 38 of the Bank of Jamaica (Building Societies) Regulations, 1995;
  - e) foreign currency balances held with authorised dealers after deduction of amounts held for those dealers, provided that only so much of the net amount shall be taken into account as does not exceed two percent of the average of liabilities in respect of deposits and withdrawable shares, or such percentage as the Minister may from time to time determine;

In respect of all building societies, balances held with commercial banks and institutions licensed pursuant to the Financial Institutions Act less amounts held for those banks or licensees qualify as liquid assets.

1998/09/01 Dual cash reserve ratios of one and twelve percent (1% & 12%) for Building Societies.

Dual liquid assets ratios of five and fifteen percent (5% & 15%) for Building Societies.

Dual foreign currency cash reserve ratios of one and twelve percent (1% & 12%) for Building Societies.

Dual foreign currency liquid assets ratio of five and fifteen percent (5% & 15%) for Building Societies.

1998/11/01 Cash reserve ratio of commercial banks reduced from twenty-three percent (23%) to twenty-one percent (21%).

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

Liquid assets ratio reduced from forty-five percent (45%) to forty-three percent (43%).

Qualifying assets threshold of Building Societies increased from twenty-nine percent (29%) to thirty-one (31%).

Dual cash reserve ratios of one and thirteen percent (1% and 13%) for Building Societies.

Dual liquid assets ratios of five and twenty percent (5% and 20%) for Building Societies.

1998/11/01 Dual foreign currency cash reserve ratios of one and thirteen percent (1% and 13%) for Building Societies.

Dual foreign currency liquid assets ratios of five and twenty percent (5% and 20%) for Building Societies.

1999/01/22 Dual cash reserve ratios of one and fourteen percent (1% and 14%) for Building Societies.

Dual foreign currency cash reserve ratios of one and fourteen percent (1% and 14%) for Building Societies.

Dual liquid asset ratios of five and twenty-five percent (5% and 25%) for Building Societies.

Dual liquid asset ratios of five and twenty-five percent (5% and 25%) in respect of Building Societies' foreign currency denominated liabilities.

Qualifying Jamaica dollar assets and foreign currency assets thresholds for Building Societies increased from thirty-one percent (31%) to thirty-four percent (34%).

1999/02/01 Cash reserve ratio of commercial banks reduced from twenty-one percent (21%) to nineteen percent (19%).

Liquid assets ratio reduced from forty-three percent (43%) to forty-one percent (41%).

Commercial banks' cash reserve ratio for foreign currency liabilities reduced from twenty percent (20%) to nineteen percent (19%).

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- 1999/03/01 Dual cash reserve ratios of one and fifteen percent (1% and 15%) for Building Societies.
- Dual foreign currency cash reserve ratios of one and fifteen percent (1% and 15%) for Building Societies.
- Dual liquid asset ratios of five and thirty percent (5% and 30%) for Building Societies.
- Dual liquid asset ratios of five and thirty percent (5% and 30%) in respect of Building Societies' foreign currency denominated liabilities.
- 1999/05/01 Cash reserve ratio of commercial banks reduced from nineteen percent (19%) to seventeen percent (17%).
- Liquid assets ratio reduced from forty-one percent (41%) to thirty-nine percent (39%).
- Commercial banks' cash reserve ratio for foreign currency liabilities reduced from nineteen percent (19%) to seventeen percent (17%).
- Dual cash reserve ratios of one and seventeen percent (1% and 17%) for Building Societies.
- Dual foreign currency cash reserve ratios of one and seventeen percent (1% and 17%) for Building Societies.
- Dual liquid asset ratios of five and thirty-five percent (5% and 35%) for Building Societies.
- Dual liquid asset ratios of five and thirty-five percent (5% and 35%) in respect of Building Societies' foreign currency denominated liabilities.
- Qualifying Jamaica dollar asset and foreign currency assets thresholds for Building Societies increased from thirty-seven percent (37%) to forty percent (40%).
- 1999/06/01 Commercial banks' liquid assets ratio reduced from thirty-nine percent (39%) to thirty-five percent (35%).
- 1999/10/01 The cash reserve ratio of FIA institutions with respect to local and foreign currency liabilities reduced from seventeen percent (17%) to sixteen percent (16%).

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

FIA institutions liquid assets ratio for local and foreign currency liabilities reduced from thirty-five percent (35%) to thirty-four percent (34%).

Commercial banks' cash reserve ratio for local and foreign currency liabilities reduced from seventeen percent (17%) to sixteen percent (16%).

Commercial banks' liquid assets ratio for local and foreign currency liabilities reduced from thirty-five percent (35%) to thirty-four percent (34%).

Dual cash reserve ratios of one and sixteen percent (1% and 16%) for Building Societies.

1999/10/01 Dual foreign currency cash reserve ratios of one and sixteen percent (1% and 16%) for Building Societies.

Dual liquid asset ratios of five and thirty-four percent (5% and 34%) for Building Societies.

Dual liquid asset ratios of five and thirty-four percent (5% and 34%) in respect of foreign currency denominated liabilities of Building Societies.

2000/03/01 Commercial banks' cash reserve ratio for local and foreign currency liabilities reduced from sixteen percent (16%) to fifteen percent (15%).

Commercial banks' liquid assets ratio for local and foreign currency liabilities reduced from thirty-four percent (34%) to thirty-three percent (33%).

The liquid assets ratio of FIA institutions in respect of local and foreign currency liabilities reduced from thirty-four percent (34%) to thirty-three percent (33%).

The cash reserve ratio of FIA institutions in respect of local and foreign currency liabilities reduced from sixteen percent (16%) to fifteen percent (15%).

Dual cash reserve ratios of one and fifteen percent (1% and 15%) for Building Societies.

Dual foreign currency cash reserve ratios of one and fifteen percent (1% and 15%) for Building Societies.

Dual liquid asset ratios of five and thirty-three percent (5% and 33%) for Building Societies.

Dual liquid asset ratios of five and thirty-three percent (5% and 33%) in respect of foreign currency denominated liabilities of Building Societies.

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

- 2000/06/01      Liquid assets ratio of commercial banks' local and foreign currency liabilities reduced from thirty-three percent (33%) to thirty-two percent (32%).
- Cash reserve ratio of commercial banks' local and foreign currency liabilities reduced from fifteen percent (15%) to fourteen percent (14%).
- Liquid assets ratio of FIA institutions in respect of local and foreign currency liabilities reduced from thirty-three percent (33%) to thirty-two percent (32%).
- Cash reserve ratio of FIA institutions in respect of local and foreign currency liabilities reduced from fifteen percent (15%) to fourteen percent (14%).
- Dual cash reserve ratios of one percent and fourteen percent (1% and 14%) for Building Societies.
- 2000/06/01      Dual foreign currency cash reserve ratios of one percent and fourteen percent (1% and 14%) for Building Societies.
- Dual liquid asset ratios of five percent and thirty-two percent (5% and 32%) for Building Societies.
- Dual liquid asset ratios of five percent and thirty-two percent (5% and 32%) in respect of foreign currency denominated liabilities of Building Societies.
- 2000/09/01      Commercial banks' liquid assets in respect of local and foreign currency liabilities reduced from thirty-two percent (32%) to thirty-one percent (31%).
- Cash reserve ratio of commercial banks' local and foreign currency liabilities reduced from fourteen percent (14%) to thirteen percent (13%).
- Liquid assets ratio of FIA institutions in respect of local and foreign currency liabilities reduced from thirty-two percent (32%) to thirty-one percent (31%).
- Cash reserve ratio of FIA institutions in respect of local and foreign currency liabilities reduced from fourteen percent (14%) to thirteen percent (13%).
- Dual cash reserve ratios of one percent and thirteen percent (1% and 13%) for Building Societies in respect of local and foreign currency liabilities.
- Dual liquid asset ratios of five percent and thirty-one percent (5% and 31%) for Building Societies in respect of local and foreign currency liabilities.
- 2001/03/01      Commercial banks' liquid assets in respect of local and foreign currency liabilities reduced from thirty-one percent (31%) to thirty percent (30%).

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

Cash reserve ratio of commercial banks' local and foreign currency liabilities reduced from thirteen percent (13%) to twelve percent (12%).

Liquid assets ratio of FIA institutions in respect of local and foreign currency liabilities reduced from thirty-one percent (31%) to thirty percent (30%).

Cash reserve ratio of FIA institutions in respect of local and foreign currency liabilities reduced from thirteen percent (13%) to twelve percent (12%).

Dual cash reserve ratios of one percent and twelve percent (1% and 12%) for Building Societies in respect of local and foreign currency liabilities.

Dual liquid asset ratios of five percent and thirty percent (5% and 30%) for Building Societies in respect of local and foreign currency liabilities.

2001/06/01 Commercial banks' liquid assets in respect of local and foreign currency liabilities reduced from thirty percent (30%) to twenty-nine percent (29%).

Cash reserve ratio for commercial banks' in respect of local and foreign currency liabilities reduced from twelve percent (12%) to eleven percent (11%).

Liquid assets ratio of FIA institutions in respect of local and foreign currency liabilities reduced from thirty percent (30%) to twenty-nine percent (29%).

Cash reserve ratio for FIA institutions in respect of local and foreign currency liabilities reduced from twelve percent (12%) to eleven percent (11%).

Dual liquid asset ratios of five percent and twenty-nine percent (5% and 29%) for Building Societies in respect of local and foreign currency liabilities.

Dual cash reserve ratios of one percent and eleven percent (1% and 11%) for Building Societies in respect of local and foreign currency liabilities.

2001/09/01 Commercial banks' liquid assets ratio in respect of local and foreign currency liabilities reduced from twenty-nine percent (29%) to twenty-eight percent (28%).

Cash reserve ratio for commercial banks' in respect of local and foreign currency liabilities reduced from eleven percent (11%) to ten percent (10%).

Liquid assets ratio of FIA institutions in respect of local and foreign currency liabilities reduced from twenty-nine percent (29%) to twenty-eight percent (28%).

Cash reserve ratio for FIA institutions in respect of local and foreign currency liabilities reduced from eleven percent (11%) to ten percent (10%).

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

Dual liquid assets ratios of five percent and twenty-eight percent (5% and 28%) for Building Societies in respect of local and foreign currency liabilities.

Dual cash reserve ratios of one percent and ten percent (1% and 10%) for Building Societies in respect of local and foreign currency liabilities.

2002/03/01 Commercial banks' liquid assets ratio in respect of local and foreign currency liabilities reduced from twenty-eight percent (28%) to twenty-seven percent (27%).

Cash reserve ratio for commercial banks in respect of local and foreign currency liabilities reduced from ten percent (10%) to nine percent (9%).

Liquid assets ratio of FIA institutions in respect of local and foreign currency liabilities reduced from twenty-eight percent (28%) to twenty-seven percent (27%).

2002/03/01 Cash reserve ratio of FIA institutions in respect of local and foreign currency liabilities reduced from ten percent (10%) to nine percent (9%).

Dual liquid assets ratios of five and twenty-seven percent (5% and 27%) for Building Societies in respect of local and foreign currency liabilities.

Dual cash reserve ratios of one and nine percent (1% and 9%) for Building Societies in respect of local and foreign currency liabilities.

2002/08/01 Liquid Assets ratio of Commercial Banks in respect of local and foreign currency liabilities reduced from twenty seven percent (27%) to twenty three percent (23%).

Liquid Assets ratio of Financial Institutions in respect of local and foreign currency liabilities reduced from twenty seven percent (27%) to twenty three percent (23%).

Liquid Assets ratio of Building Societies in respect of local and foreign currency liabilities reduced from twenty seven percent (27%) to twenty three percent (23%).

2003/01/10 The Bank of Jamaica instituted a "Special Deposit" requirement for Commercial Banks and institutions licensed under the Financial Institutions Act. Each institution will be required to place

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*



cash deposits with the Central Bank equivalent to 5% of its Jamaican dollar deposit liabilities.

This measure is instituted in a context of increased speculation and heightened instability in the foreign exchange market which has been facilitated by the high levels of Jamaican dollar liquidity in the system. The Central Bank intends to retain this measure until normality is restored in the foreign exchange system.

2004/03/11 Pursuant to Section 15(2) (h) of the Banking Act, the Minister of Finance & Planning has determined that all debt securities or instruments issued by the Government of Jamaica whether denominated in Jamaica dollar or in a foreign currency and irrespective of their original maturity terms, shall, within nine months of their date, be designated Liquid Assets.

2005/05/16 The Bank of Jamaica reduces the special deposit holdings of commercial banks by two (2) percentage points.

2006/05/01 The Bank of Jamaica has removed the requirement that deposit-taking institutions must hold some portion of their Assets as a Special Deposit with the Central Bank.

2008/11/18 The Bank of Jamaica has offered a Special Certificate of Deposits to Primary Dealers and Commercial Banks. Interest payable on this instrument is 20.50% per annum. Bank of Jamaica's regular menu of CD's ranging from 30 days to 365 days will remain on this offer.

2008/12/03 Cash reserve ratio of Commercial Banks in respect of local currency liabilities increased from nine percent (9%) to eleven percent (11%). Cash reserve ratio of Commercial Banks in respect of foreign currency liabilities remained at nine percent (9%).

Cash reserve ratio of FIA Institutions in respect of local currency liabilities increased from nine percent (9%) to eleven percent (11%). Cash reserve ratio of Financial Institutions in respect foreign currency liabilities remained at nine percent (9%).

Cash reserve ratio of Building Societies in respect of local currency liabilities increased from nine percent (9%) to eleven percent (11%). Cash reserve ratio of Building Societies in respect of foreign currency liabilities remained at nine percent (9%).

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

The Bank planned to increase these requirements by a further three percentage (3%) points if market conditions warranted it.

2008/12/03 Liquid Assets ratio of Commercial Banks in respect of local currency liabilities increased from twenty three percent (23%) to twenty five percent (25%). Liquid Assets ratio of Commercial Banks in respect of foreign currency liabilities remained at twenty three percent (23%).

Liquid Assets ratio of FIA Institutions in respect of local currency liabilities increased from twenty three percent (23%) to twenty five percent (25%). Liquid Assets ratio of Financial Institutions in respect of foreign currency liabilities remained at twenty three percent (23%).

Liquid Assets ratio of Building Societies in respect of local currency liabilities increased from twenty three percent (23%) to twenty five percent (25%). Liquid Assets ratio of Building Societies in respect of foreign currency liabilities remained at twenty three percent (23%).

2009/01/02 Cash reserve ratio of Commercial Banks in respect of local currency liabilities increased from eleven percent (11%) to thirteen percent (13%). Cash reserve ratio of Commercial Banks in respect of foreign currency liabilities increased from nine percent (9%) to eleven percent (11%).

Cash reserve ratio of FIA Institutions in respect of local currency liabilities increased from eleven percent (11%) to thirteen percent (13%). Cash reserve ratio of Financial Institutions in respect of foreign currency liabilities increased from nine percent (9%) to eleven percent (11%).

Cash reserve ratio of Building Societies in respect of local currency liabilities increased from eleven percent (11%) to thirteen percent (13%). Cash reserve ratio of Building Societies in respect of foreign currency liabilities increased from nine percent (9%) to eleven percent (11%).

2009/01/02 Liquid Assets ratio of Commercial Banks in respect of local currency liabilities increased from twenty five percent (25%) to twenty seven percent (27%). Liquid Assets ratio of Commercial Banks in respect of foreign currency liabilities increased from twenty three percent (23%) to twenty five percent (25%)

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

Liquid Assets ratio of FIA Institutions in respect of local currency liabilities increased from twenty five percent (25%) to twenty seven percent (27%). Liquid Assets ratio of Financial Institutions in respect of foreign currency liabilities increased from twenty three percent (23%) to twenty five percent (25%).

Liquid Assets ratio of Building Societies in respect of local currency liabilities increased from twenty five percent (25%) to twenty seven percent (27%). Liquid Assets ratio of Building Societies in respect of foreign currency liabilities increased from twenty three percent (23%) to twenty five percent (25%).

2009/02/06 Cash reserve ratio of Commercial Banks in respect of local currency liabilities increased from thirteen percent (13%) to fourteen percent (14%). Cash reserve ratio of Commercial Banks in respect of foreign currency liabilities remained at eleven percent (11%).

Cash reserve ratio of FIA Institutions in respect of local currency liabilities increased from thirteen percent (13%) to fourteen percent (14%). Cash reserve ratio of Financial Institutions in respect of foreign currency liabilities remained at eleven percent (11%).

Cash reserve ratio of Building Societies in respect of local currency liabilities increased from thirteen percent (13%) to fourteen percent (14%). Cash reserve ratio of Building Societies in respect of foreign currency liabilities remained at eleven percent (11%).

2009/02/06 Liquid Assets ratio of Commercial Banks in respect of local currency liabilities increased from twenty seven percent (27%) to twenty eight percent (28%). Liquid Assets ratio of Commercial Banks in respect of foreign currency liabilities remained at twenty five percent (25%).

Liquid Assets ratio of FIA Institutions in respect of local currency liabilities increased from twenty seven percent (27%) to twenty eight percent (28%). Liquid Assets ratio of Financial Institutions in respect of foreign currency liabilities remained at twenty five percent (25%).

Liquid Assets ratio of Building Societies in respect of local currency liabilities increased from twenty seven percent (27%) to twenty eight percent (28%). Liquid Assets ratio of Building

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

Societies in respect of foreign currency liabilities remained at twenty five percent (25%).

2010/03/01 Cash reserve ratio of Commercial Banks in respect of foreign currency liabilities reduced from eleven percent (11%) to nine percent (9%). Cash reserve ratio of Commercial Banks in respect of local currency liabilities remained at fourteen percent (14%).

Cash reserve ratio of FIA Institutions in respect of foreign currency liabilities reduced from eleven percent (11%) to nine percent (9%). Cash reserve ratio of FIA Institutions in respect of local currency liabilities remained at fourteen percent (14%).

Cash reserve ratio of Building Societies in respect of foreign currency liabilities reduced from eleven percent (11%) to nine percent (9%). Cash reserve ratio of Building Societies in respect of local currency liabilities remained at fourteen percent (14%).

2010/03/01 Liquid Assets ratio of Commercial Banks in respect of foreign currency liabilities reduced from twenty five percent (25%) to twenty three (23%). Liquid Assets ratio of Commercial Banks in respect of local currency liabilities remained at twenty eight (28%).

Liquid Assets ratio of FIA Institutions in respect of foreign currency liabilities reduced from twenty five percent (25%) to twenty three (23%). Liquid Assets ratio of FIA Institutions in respect of local currency liabilities remained at twenty eight (28%).

Liquid Assets ratio of Building Societies in respect of foreign currency liabilities reduced from twenty five percent (25%) to twenty three (23%). Liquid Assets ratio of Building Societies in respect of local currency liabilities remained at twenty eight (28%).

2010/07/01 Cash reserve ratio of Commercial Banks in respect of local currency liabilities reduced from fourteen percent (14%) to twelve percent (12%). Cash reserve ratio of Commercial Banks in respect of foreign currency liabilities remained at nine percent (9%).

Cash reserve ratio of FIA Institutions in respect of local currency liabilities reduced from fourteen percent (14%) to twelve percent

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*

(12%). Cash reserve ratio of Financial Institutions in respect of foreign currency liabilities remained at nine percent (9%).

Cash reserve ratio of Building Societies in respect of local currency liabilities reduced from fourteen percent (14%) to twelve percent (12%). Cash reserve ratio of Building Societies in respect of foreign currency liabilities remained at nine percent (9%).

2010/07/01 Liquid Assets ratio of Commercial Banks in respect of local currency liabilities reduced from twenty eight percent (28%) to twenty six percent (26%). Liquid Assets ratio of Commercial Banks in respect of foreign currency liabilities remained at twenty three percent (23%).

Liquid Assets ratio of FIA Institutions in respect of local currency liabilities reduced from twenty eight percent (28%) to twenty six percent (26%). Liquid Assets ratio of Financial Institutions in respect of foreign currency liabilities remained at twenty three percent (23%).

Liquid Assets ratio of Building Societies in respect of local currency liabilities reduced from twenty eight percent (28%) to twenty six percent (26%). Liquid Assets ratio of Building Societies in respect of foreign currency liabilities remained at twenty three percent (23%).

*NOTE: Cash Reserve and Liquid Assets requirements are differentially applied to building societies not meeting a prescribed threshold of qualifying assets (residential mortgage lending) in relation to savings funds. Building societies that meet the prescribed 'qualifying assets' threshold attract lower requirements of 1.0 per cent and 5.0 per cent for the cash reserve and liquid assets ratios respectively. Building Societies which do not satisfy the prescribed threshold are required to meet the higher requirements which apply to commercial banks and FIA licensees.*