

# Requirements for Primary Dealer Designation by Bank of Jamaica

## Securities Dealers must satisfy the following criteria to be designated as a Primary Dealer

- (i) The Principal(s) (directors, shareholders holding  $\geq 10\%$  shares and managers) of the applicant must meet BOJ's fit and proper requirements (See *Notification to Primary Dealers – Fit and Proper Criteria for Primary Dealers on BOJ website*).
- (ii) The applicant must be registered to operate in Jamaica (valid copy of Certificate of Incorporation required).
- (iii) The applicant must be licensed by the Financial Services Commission (FSC), and produce a copy of the valid certificate issued by the FSC authorizing the operation of dealing in securities.
- (iv) There must be no regulatory sanction existing or pending against the applicant and the applicant must not have been subject to any regulatory sanction in the last seven (7) years.
- (v) Demonstrate the capacity to electronically transmit information to BOJ.

## Documentary requirements for designation of Primary Dealer

An applicant for designation as Primary Dealer must submit the following documentation:

- (i) Declaration of holdings in GOJ and BOJ Securities denominated in Jamaica Dollars and foreign currency, for the 6-month period immediately preceding the application date.
- (ii) Articles of Incorporation/Memorandum and Articles of Association
- (iii) Board Resolution and Approval to undertake Primary Dealer activities.
- (iv) Valid Tax Compliance Certificate
- (v) Audited Financial Statements for the preceding two years<sup>a</sup>
- (vi) Statement from bankers on business account (s) held, and supporting bank statements for six (6) months immediately preceding application date.

## CHANGE IN OWNERSHIP

Where a Primary Dealer has undergone a change of over 50% of its ownership, the Certificate of Designation lapses, and will be rescinded, as Certificates of Designation are non-transferable. The new owners of the company may apply to BOJ to be designated as a Primary Dealer, and to be issued with a new Certificate of Designation. The usual process governing an application for designation as a Primary Dealer as outlined herein will apply in the circumstances. Primary Dealers are obliged to inform BOJ of any transaction which would result in a change of over 50% ownership in the company, and the details thereof at least three (3) months' prior to the date of the

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<sup>a</sup> In the event that the company has been in operation for less than (2) years, the financial statement (s) for the principal shareholders must be presented.

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transfer. The Primary Dealer, in these circumstances, is required to surrender the Certificate of Designation when the said transaction is completed.

### **DISCRETIONARY POWERS**

BOJ reserves the right to deny an applicant being designated as Primary Dealer based on the outcome of their internal assessment and their judgement of the applicant's ability to effectively operate as a Primary Dealer.