



THE
JAMAICA GAZETTE
SUPPLEMENT

PROCLAMATIONS, RULES AND REGULATIONS

24A

Vol. CXVIII

FRIDAY, JANUARY 20, 1995

No. 11A

No. 17A

THE BUILDING SOCIETIES ACT

THE BUILDING SOCIETIES (LICENCES) REGULATIONS, 1995

In exercise of the power conferred upon the Minister by section 8B of the Building Societies Act, and of every other power hereunto enabling, the following Regulations are hereby made:—

1. These Regulations may be cited as the Building Societies (Licences) Regulations, 1995.

Forms of Application

2.—(1) Every application for a licence to carry on business under section 8B of the Act shall be made in duplicate and shall be in the form specified in the First Schedule.

(2) Every application shall be accompanied by such other particulars as the Minister may, in each case, require.

Fit and Proper Criteria

3. The criteria set out in the Second Schedule shall be applied by the Bank of Jamaica in determination of whether a person is fit and proper for the purpose of a recommendation to the Minister under subsection (3) of section 8b.

Fees

4. The fees payable by a building society pursuant to section 8b of the Act shall be—

- (a) in the case of a society which is carrying on business at the 1st day of April, 1995:
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| on the grant of a licence | \$1,000.00 for every \$10 million, or part thereof, of assets held at the end of that society's financial year immediately preceding the grant of the licence; |
| and thereafter, annually, on or before the anniversary of the grant of the licence | \$1,000.00 for every \$10 million, or part thereof, of assets held at the end of that society's financial year immediately preceding such anniversary; |
- (b) in all other cases—
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| on the grant of a licence | \$1,000.00; |
| and thereafter, annually, on or before the anniversary of the grant of the licence | \$1,000.00 for every \$10 million, or part thereof of assets held at the end of that society's financial year immediately preceding such anniversary. |

FIRST SCHEDULE

THE BUILDING SOCIETIES ACT

Application for Licence

(Under paragraph (1) of regulation 2 of the Building Societies (Licences) Regulations, 1995).

1. Name of Society
2. Date of Incorporation
3. Registered Office
4. Submission of Certificate of Incorporation
5. Submission of Rules (two copies)
6. Name, occupation and address of Directors and/or members of the Committee of Management of the society and Founding Members thereof. (See also, Note 3 overleaf).

FIRST SCHEDULE, *contd.*

Name	Occupation	Address (Home or Business)
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7. Name, nationality, occupation, address and shareholding of Principal shareholders of the society. (See also Notes 3 and 4 overleaf).

Name	Occupation	Address (Home or Business)	No. and Type of Shares Held and J\$ Amount
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8. Name and designation of Principal Officers of the Society, along with brief description of duties, qualifications and number of years experience in financial institutions. (See also Note 3 overleaf).

Name	Designation	Duties	No. of Years Experience in Financial Institutions
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FIRST SCHEDULE, *contd.*

9. Capital (if any)—

- (a) Authorised
- (b) Subscribed
- (c) Paid-up
- (d) Type of Shares

10. Precise Nature of Business being Transacted

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11. Details of number of persons employed in management and staff positions.

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12. Name and Address of Auditors

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13. Name and Address of Attorney-at-Law

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14. Name and Address of Bankers

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FIRST SCHEDULE, *contd.*

15. If the Society is a subsidiary of a Company, give the name, address and nature of business of Parent Company.

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16. Give the name and address of subsidiaries, if any, of the Society, or any enterprise in which it has a shareholding or similar interest, giving details and nature of business pursued.

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17. Corporate Chart, which should show clearly, the relationship of the Society to Parent Company, subsidiary, and other connected Companies, where applicable.

18. Financial Statements. (See Notes 2 (a), (b), (c) and (d) overleaf).

19. Signature of Principal Officer

20. Name and designation of Principal Officers signing

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21. Date19.....

NOTES:

*Additional Documentation to Accompany Application*1. Supporting Business Plan and Feasibility Study, which should clearly address, *inter alia*, the following—

- (a) the rationale on which the application for licence is based;
- (b) the identified economic needs which the society intends to meet (or which have been identified as not now being adequately met by existing financial intermediaries);
- (c) the specific service area being addressed by society, and growth prospects for service area over the next five years;
- (d) specific details as to the exact nature and source of capital financing to be made available to society for on-going operations;
- (e) a certified statement or other proof as may be required by the Bank of Jamaica, of the Applicant's ability to meet the statutory requirements for minimum paid-up capital;
- (f) management, staffing and operational structure proposed for society.

2. Financial Statements—

- (a) If society was in existence and operating prior to date of application, copies of Audited Financial Statements (Balance Sheet, Profit and Loss, Auditor's Report and Notes to Accounts), for the five consecutive years immediately preceding its application, except however that where such applicant has been functioning for less than five years, a copy of its Audited Financial Statements for each year it has been in operation shall be sufficient.
- (b) Opening Balance Sheet (Audited), where (a) is NOT applicable.
- (c) Operating projections for coming five years of business. This should include Balance Sheet, Income Statement and Cash Flow projections prepared in the usual mode. Details of any financial and/or economic assumptions on which these projections are based should be clearly indicated.
- (d) Where applicant is a subsidiary or affiliate of another company, submit in addition to (a) or (b) above, Audited Financial Statements of Parent Company and all other "connected" Companies.

3. A personal and business history of each Director, the Secretary, and Senior Corporate Officer from the rank of Manager, and above, along with details of professional and/or academic qualifications, experience in banking and/or related undertakings; and information as to their possible participation in any prior or current litigation or administrative proceedings. In regard to the latter, the attached "Personal Questionnaire for Connected Persons" should also be completed and returned by all individuals to which Notes 3 and 4 relate.

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4. Similar information as requested at 3 above, along with a certified copy of current financial statement or statement of affairs, of any person/persons who directly or indirectly will possess or control 5 per cent or more of the voting power of the society, or 10 per cent, or more, of the non-voting shares of the society, should also accompany the application.
5. An application for Licence under the Building Societies Act, must be completed in duplicate and returned to the Supervisor of Banks, Bank of Jamaica, for onward transmission to the Minister of Finance.

SECOND SCHEDULE

1. In determining whether a person falling within section 8B (3) of the Act is a fit and proper person regard shall be had to—
- (i) his probity;
 - (ii) his competence and soundness of judgment for fulfilling his responsibilities in relation to the society;
 - (iii) the diligence with which he is fulfilling or likely to fulfil those responsibilities;
 - (iv) whether the interests of members and depositors or potential members and depositors are, or are likely to be, in any way threatened by his holding that relationship to the society.
2. Without prejudice to the generality of the foregoing provisions, regard may be had to the previous conduct activities in business or financial matters of the person in question and, in particular, to any evidence that he has—
- (i) committed an offence involving fraud or other dishonesty;
 - (ii) contravened any provision made by or under any enactment appearing to the Bank of Jamaica to be designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of banking, insurance investment or other financial services or the management of companies or against financial loss due to the conduct of discharged or undischarged bankrupts;
 - (iii) engaged in any business practices appearing to the Bank to be deceitful or oppressive or otherwise improper (whether unlawful or not) or which otherwise reflect discredit to his method of conducting business;
 - (iv) engaged in or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment.

SECOND SCHEDULE, *contd.*

3 Nothing in paragraphs 1 and 2 implies that the Minister may not take other factors into account in determining whether any such person can fairly be considered fit and proper.

Dated the 20th day of January, 1995.

OMAR DAVIES,
Minister of Finance and Planning.

No. 429/036