

# Requirements for Primary Dealer Designation by the Bank of Jamaica

1. Principal(s) of a company must meet the Bank of Jamaica fit and proper requirements (See Appendix 1)
2. The company must be registered to operate in Jamaica (copy of Certificate of Incorporation required).
3. The company must be licensed by the Financial Services Commission (FSC). Copy of certificate issued by the Financial Services Commission (FSC) authorizing the operation of dealing in securities.
4. 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.
5. If the company to which the Certificate of Designation has been granted is about to undergo a change of ownership, the original approval granted to the former owner/s will be rescinded as Certificates of Designation are non-transferable. The prospective owners may apply to the Bank of Jamaica for a Certificate of Designation. The usual process governing an application for a new Certificate of Designation to operate as a BOJ Primary Dealer will apply to the prospective owners. Therefore the transferors of the company are obliged to: inform the Bank of Jamaica of the fact of change of ownership and details of the transfer three (3) months prior to the date of the transfer and surrender the Certificate of Designation when the sale is completed.
6. Declaration of holdings in Government of Jamaica Securities denominated in Jamaica Dollars and foreign currency. Monthly holdings for the 6-month period immediately preceding the application date are required.
7. Declaration of holdings in Bank of Jamaica Certificates of Deposit. Monthly holdings for the 6-month period immediately preceding the application date are required.
8. Satisfy the requirements to operate account with the Central Bank. The documents required for opening an account with the Bank of Jamaica include:
  - i. Articles of Incorporation /Memorandum and Articles of Association
  - ii. Board Resolution and Approval
  - iii. Valid Tax Compliance Certificate
  - iv. Audited Financial Statements for the preceding two years<sup>a</sup>
  - v. Statements from bankers on business account(s) held, and supporting bank statements for six (6) months immediately preceding application date.

---

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

## **Requirements for Primary Dealer Designation by the Bank of Jamaica**

9. Possess the capacity to transmit data electronically to the Bank of Jamaica (personal computer, internet access, dedicated telephone line, fax machine). The minimum computer hardware requirements for connectivity to the Bank's electronic system are as follows:
- i. Pentium 4 Processor (1 gigabyte)
  - ii. 256 megabytes (mb) RAM
  - iii. 20 gigabytes (gb) Hard Drive
  - iv. 56 kilobytes (kb) modem
  - v. Windows 2000 Operating System.

**The Bank of Jamaica reserves the right to deny applications based on its internal assessment and judgements of the company's ability to effectively operate as a Primary Dealer.**

# Requirements for Primary Dealer Designation by the Bank of Jamaica

## APPENDIX 1

### NOTIFICATION TO PRIMARY DEALERS

#### FIT AND PROPER CRITERIA FOR PRIMARY DEALERS

1. As is the case with persons who are licensed by the Bank of Jamaica or who are licensed pursuant to the recommendation of the Bank of Jamaica, Primary Dealers must also meet the Central Bank's 'fit and proper' standards prior to obtaining Primary Dealership approval or in order to retain Primary Dealership designation.
2. For the purposes of this requirement 'principals' of Primary Dealers and of applicants for Primary Dealership status, shall include the directors, and shareholders holding or exercising 10% or more of the company's shares, whether such rights are held solely by an individual or jointly with another person or other persons managing those operations on the company's behalf.
3. For the purpose of this requirement 'manager' shall include any person who has the authority to direct the operations of the company whether such person managing is formally employed in that capacity or not.
4. The application of the 'fit and proper' criteria shall be an ongoing process and shall be in effect throughout the person/s affiliation with the designated Primary Dealer. In accordance with this policy, 'fit and proper' reassessments will be conducted every five (5) years on the persons who have already been assessed.
5. Approvals shall, therefore, not be granted to any company unless the principals are deemed to be 'fit and proper' for that purpose. Similarly, the Bank of Jamaica shall not renew the Primary Dealership of any company unless its principals and managers thereof meet the 'fit and proper' criteria specified herein. To meet the 'fit and proper' criteria, the above principals and managers must be persons who:
  - a. have not provided any false or misleading information to the Bank of Jamaica on the Personal Questionnaire for Assessment of Primary Dealers Under the 'Fit and Proper' Criteria ('Fit and Proper Questionnaire') or in any related document,
  - b. have declared all information as required by the 'Fit and Proper' Questionnaire,
  - c. have not been convicted of any crime involving dishonesty,
  - d. are confirmed by the Police, as having satisfactory records,
  - e. are confirmed as having satisfactory clearance from the Financial Investigations Division (FID) of the Ministry of Finance and Planning. The process of obtaining the relevant clearance involves the payment of a fee. are not persons barred from holding positions as shareholders, directors or managers of banks, licensed financial institutions or any other entity pursuant to the provisions of the Banking Services Act(September 2014) or other statutory enactment.
  - f. are not persons barred from holding positions as shareholders, directors or managers of a company or service licensed under the Securities Act or under the Insurance Act or any other entity pursuant to the provisions of the Securities and Insurance Acts or other statutory enactment.
  - g. in the opinion of the Bank of Jamaica are persons of sound probity, and are able to exercise the required level of competence, diligence, and sound

## Requirements for Primary Dealer Designation by the Bank of Jamaica

judgement in fulfilling their responsibilities as Primary Dealers; and who do not constitute a threat to good order in the Financial Markets and Payment Systems; and for the purposes of this paragraph the Bank of Jamaica may have regard to any evidence that these persons have: -

- engaged in previous business or financial practices which appear to the Bank of Jamaica to be deceitful or oppressive or otherwise improper or indicative of poor financial management skills;
  - contravened any provision of any enactment designed for the protection 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 in the management of companies;
6. Applicants shall submit the following upon making an application for 'fit and proper' approval:
- a. A completed 'Fit and Proper' Questionnaire and a current résumé.  
**The Questionnaire is available as an Appendix in this document.**
  - b. A current Police Clearance Report (submitted to the Bank within 6 months of being issued) or original receipt evidencing payment for a Police Clearance Report.
  - c. The relevant fee for obtaining FID Clearance. The Bank will advise of the applicable fee and when this payment is to be made.
7. The Police authorities shall be directed to forward the certificates for all principals and managers directly to the BOJ.
8. A person who has resided or worked in jurisdictions outside of Jamaica for a period exceeding six months (since age 18), as at the date of application, must also submit a Police Clearance Report from each relevant jurisdiction. Each person must make direct contact with the appropriate law enforcement authority with respect to conducting the necessary criminal records check. Where possible, the overseas authority should be requested to submit their report directly to the BOJ for the attention of the Head of Department, Market Operations and Analysis Department, Bank of Jamaica, Nethersole Place, Kingston.
9. The failure or refusal by an individual or organization to provide clearance reports within four (4) months of the date of the request for such information shall constitute grounds for the termination of the 'fit and proper' assessment of the affected individual.
10. Where shareholders are unable to undergo the 'fit and proper' process due to ill-health, the process will be waived subject to submission of the following:
- Confirmation from a certified Medical Doctor that the relevant shareholder is medically unfit to be subject to the procedure, and
  - A certified copy of Power of Attorney issued by the medically unfit shareholder
- In such cases, the person who has been appointed Power of Attorney must satisfy the BOJ's 'Fit and Proper' criteria.
- This provision is not applicable to directors or managers.
11. Where a Primary Dealer proposes to effect changes to principals or management, the Primary Dealer must give the Bank of Jamaica not less than 7 days notice prior

## **Requirements for Primary Dealer Designation by the Bank of Jamaica**

to effecting such proposed change, if possible. Where this is not possible, the Bank of Jamaica must be advised of the change within 7 days of the change. Any change effected by the Primary Dealer to its principals or management, is conditional on the new principal/(s) or manager/(s) meeting the aforementioned 'fit and proper' criteria herein for Primary Dealers.

12. A Primary Dealer which has notice of any fact or circumstance, which will reasonably affect the standing as 'fit and proper' of any of its principals or managers, shall be obliged to immediately advise the Bank of Jamaica within 7 days of being made aware of such fact or circumstance. The failure to so advise the Bank of Jamaica shall constitute grounds for revocation of the Primary Dealership designation.
13. It should not be assumed that information is known to the Bank of Jamaica merely because it is in the public domain or has previously been disclosed to the Bank of Jamaica or another regulatory body or law enforcement agent. In this regard, an applicant who, subsequent to the submission of his Personal Questionnaire, has notice of any fact or circumstance which will reasonably affect his assessment under this Notice shall be obliged to immediately advise the Bank of Jamaica within 7 days of being made aware of such fact or circumstance.
14. A determination by the Bank of Jamaica, at any time, including during the term of an Approval, that any principal or manager of a Primary Dealer has ceased to meet the 'fit and proper' criteria outlined herein shall constitute grounds for revocation of the Primary Dealer designation.
15. Upon a Primary Dealer designation becoming due for renewal, if there are no changes in the circumstances of the principals or management or any other circumstances that would impact a standing of 'fit and proper', the Primary Dealer shall submit to the Bank of Jamaica a completed Declaration in a form to be determined by the Bank of Jamaica, in support of the Primary Dealer's application for renewal.
16. The provision of any false or misleading information to the Bank of Jamaica in support of an application for an Approval, or its renewal, shall also constitute grounds for refusing the application or discontinuing the processing of an application or for revocation of a Primary Dealership designation.
17. A determination by the Bank of Jamaica that an applicant or Primary Dealer does not meet the 'fit and proper' criteria herein contained shall be final and conclusive. The applicant reserves the right of appeal to the Minister of Finance and Planning from any determination made by the Bank that the applicable 'fit and proper' criteria has not been met.
18. The Bank of Jamaica reserves the right to require such further and other information from any applicant or Primary Dealer as it deems fit, for the purpose of making its determination of the fitness and propriety of a Principal or manager.
19. The Bank of Jamaica shall have liberty to extend the period for doing any act under this Notice.

**QUESTIONNAIRE  
FOR ASSESSMENT OF OPERATORS  
OF PRIMARY DEALERS  
UNDER THE 'FIT AND PROPER CRITERIA'**

**Article I. GENERAL INFORMATION**

1. LEGAL NAME: \_\_\_\_\_  
Surname  
\_\_\_\_\_  
First  
\_\_\_\_\_  
Middle  
\_\_\_\_\_  
Maiden

2. MARITAL STATUS: Married  Single  Widowed   
Divorced  Separated

3. GENDER: Male  Female

**ADDRESS**

4.1. Home: \_\_\_\_\_  
\_\_\_\_\_

4.2. Business: \_\_\_\_\_  
\_\_\_\_\_

4.3. Phone Numbers: Home: \_\_\_\_\_  
Business: \_\_\_\_\_  
Mobile: \_\_\_\_\_

5. OCCUPATION: \_\_\_\_\_

6. TAXPAYER REGISTRATION NUMBER (TRN): \_\_\_\_\_

7. DATE OF BIRTH (dd-mmm-yyyy): \_\_\_\_\_

7.1. PLACE OF BIRTH: Town/District: \_\_\_\_\_  
Parish/State: \_\_\_\_\_

8. NATIONALITY: \_\_\_\_\_

8.1. **If naturalized, give date of grant of citizenship and certificate number.**

---

9. POSITION IN PRIMARY DEALER OPERATIONS:

Director  Shareholder  Manager<sup>1</sup>  Chief Executive Officer

Other  please specify \_\_\_\_\_

9.1. DUTIES ATTACHED TO POSITION:

**BUSINESS HISTORY**

10.1 Give details of your education and professional qualifications and affiliations, if any, including relevant dates:

10.2a Give details of your employment history up to the date of this Questionnaire, including for each place of employment; the date of employment, details of the type of business, your title and the duties attached to your position; the names and address of your employer; reasons for leaving and the name, position and telephone number of a reference from your last employer. (Please submit the above information in a résumé format).

10.2b. Have you resided or worked in an overseas jurisdiction for any period exceeding 6 months, since age 18? If so, list the jurisdiction(s) and the period you resided in each.

---

<sup>1</sup> Officer responsible for the operations, or making decisions concerning the operations of the entity.

10.3 a) Have you at any time been charged with any offence in Jamaica or elsewhere (excluding minor Road Traffic offences)? Yes  No

If yes, please give details of the charge *whether or not it led to a conviction or was dropped.*

10.3 b) Have you at any time been convicted of any offence or otherwise found liable by a Civil, Criminal or Military Court, whether in Jamaica or elsewhere (excluding minor Road Traffic offences)?

Yes  No

If yes state, the date(s) and place(s) of conviction and full particulars of the offence(s), (including any offences taken into consideration) and the specific penalty(s) imposed *irrespective of whether the penalty has been paid.*

10.4 Have you ever been required to give evidence in any trial or proceedings involving fraud, dishonesty or similar matters, whether in Jamaica or elsewhere other than as an expert witness? Yes  No

If so, give particulars:

10.5 Have you ever been the subject of investigation/disciplinary procedures, censured, disciplined or publicly criticized by any professional body to which you belong or have belonged, whether in Jamaica or elsewhere? Yes  No

If so, give particulars:

10.6 Have you ever been dismissed or requested to resign from any office or employment, whether in Jamaica or elsewhere? Yes  No

If so, give particulars:

10.7 Have you ever been refused entry into any profession or vocation, whether in Jamaica or elsewhere?      Yes       No

If so, give particulars:

10.8 Have you ever been censured or disciplined by, or made the subject of a Court Order, whether in Jamaica or elsewhere, at the instigation of:

10.8.1. Any regulatory authority?      Yes       No

10.8.2. Any officially appointed enquiry?      Yes       No

10.8.3 Any other established body concerned with the regulation of a relevant activity (as described in the Glossary at the end of this form)?      Yes       No

10.8.4 If the answers to any of the questions under 10.8. If YES, give particulars:

10.9. Names (including contact persons) and Addresses of bankers over the past 5 years:

10.9.1 Do you currently have outstanding loan obligations to financial institutions or lending institutions?      Yes       No

If yes, give particulars of loan obligations state the institution, and list the outstanding amount/s due to each creditor.

10.9.2a If the answer to question 10.9.1 is YES, have you maintained your credit obligation (s) to all the relevant financial institutions or lending institutions in a consistent and satisfactory manner?

Yes  No

10.9.2b If the answer to question 10.9.2a is NO, state particulars including name of institution, amount, circumstances and reason(s).

10.9.3 Have your bankers, or other financial institution with which you do business ever threatened or commenced court proceedings or declined doing any further business with you as a result of outstanding debts owed by you or your not honouring other facilities afforded you (e.g. guarantee, etc.) by these institutions? Yes  No

If so, give details of the dispute, and if resolved, the manner in which the issue was resolved, and the particulars of the court action.

10.10. In connection with the formation or management of any partnership, business undertaking, or corporation, have you ever been adjudged by a Criminal or Civil Court to be liable for any fraud, misfeasance or other misconduct in relation to that corporation, any member or customer thereof, whether in Jamaica or elsewhere? Yes  No

If yes, give particulars:

10.11. Have you ever been disqualified by a Court, or by virtue of any statutory enactment from being a director or from acting in the management or conduct of the affairs of any corporation, whether in Jamaica or elsewhere?      Yes       No

If yes, give particulars.

10.12. Has a bankruptcy petition ever been served on you or any organization in which you were a shareholder or held the position of Director or Manager in any jurisdiction?      Yes       No

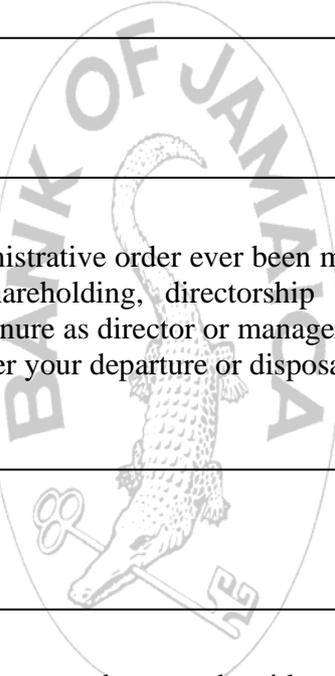
If pending, give details of the circumstances and, if not pending, how was the matter resolved?

10.13. Has a receivership or administrative order ever been made against you or an organization in which you held a shareholding, directorship or management position in any jurisdiction (during your tenure as director or manager or period as shareholder or within the 3 years immediately after your departure or disposal of shares)? Yes       No

If so, give particulars:

10.14. Has an order for sequestration ever been made with respect to your assets or those of any organization in which you held a shareholding, directorship or management position in any jurisdiction (during your tenure as director or manager or period as shareholder or within the 3 years immediately after your departure or disposal of shares)? Yes  No

If so, give particulars:



- 10.15. Have you or any organization in which you held a shareholding, directorship or management position ever entered into a Deed of Arrangement, or other composition or arrangement with your/its creditors (during your tenure as director or manager or period as shareholder, or within the 3 years immediately after your departure or disposal of shares)? Yes  No

If so, give particulars:

- 10.16. Has any organization in which you held a shareholding, directorship or management position been the subject of any statutory intervention action (e.g. temporary management, vesting order, revocation or suspension of licence) in any jurisdiction (during your tenure as director or manager or period as shareholder, or within the 3 years immediately after your departure or disposal of shares)? Yes  No

If so, give particulars:



- 10.17. Has any organization in which you held a shareholding, directorship or management position been the subject of any liquidation proceedings in any jurisdiction (during your tenure as director or manager or period as shareholder, or within the 3 years immediately after your departure or disposal of shares)? Yes  No

If so, give particulars:

- 10.18. Has any organization in which you held a shareholding, directorship or management position been the subject of any administrative censure or penalty by the Regulator with responsibility for such industry (during your tenure as director or manager or period as

shareholder, or within the 3 years immediately after your departure or disposal of shares)? Yes  No

If so, give particulars:

10.19. Has a petition to wind up the corporation ever been served on any organization in which you were a shareholder, or held the position of director or manager (during your tenure as director or manager or period as shareholder, or within the 3 years immediately after your departure or disposal of shares)? Yes  No

If so, give details of the circumstances and outcome of the petition?

11. Will you be actively engaged in the business of the entity to which this application relates and devote the major portion of your time thereto? Yes  No

12. Have you been or are you currently a Shareholder, Manager, Director of any Limited Companies or other corporations or bodies engaged in relevant activities, as described in the glossary at the end of this form? Yes  No

If yes, state the name of the company(s) or corporation(s), the nature of its business, your position (including details of shareholdings where applicable) and date of appointment and resignation or termination and the reasons therefore.

13. Have you been or are you currently a Shareholder, Trustee, Partner, Member, Director or Manager of any company, society, trust, partnership or other business entity, other than those stated in the previous questions? Yes  No

If yes, state the name of the entity(s), the nature of its business, your position and date of appointment.

14. Are you a beneficial owner of any controlling interest in any listed or unlisted private or public company, partnership, joint venture or other business enterprise? Yes  No

If so, give particulars:

