

Annual Renewal of the Policy of Deposit Insurance and the Completion and Submission of the Insurable Deposits (Form 2)

Instructions for Completing Form 2 and Form Survey of Distribution of Insurable Deposits (SID)

Overview

Form 2 and Form SID are to be completed based on data as at December 31 of each year. The Form 2 (Return of Insurable Deposits) is the regulation that forms the basis of premium assessment each year while the Form SID (Survey of the Distribution of Insurable Deposits) provides essential data for determining an estimate of insured deposits in the banking system. These forms are accessible at <http://www.jdic.org/policyholder-resources>. Please note the following regarding the completion of the respective forms:

(i) Trust Accounts and Nominee Accounts

The Deposit Insurance Coverage Rule provides separate coverage for the beneficiaries of Trust and separate coverage for Nominee accounts, pursuant to the Deposit Insurance Act (DIA), Section 18C and the Deposit Insurance (Joint, Trust and Nominee Accounts) Regulations.

- Trust Accounts Established Further to a Trust Deed

There are certain persons or institutions (Trustee) whose duties involve holding moneys in trust for others in deposit accounts. Section 18C of The Deposit Insurance Act (DIA), provides:

1. "Where a deposit with a policyholder is held in a Trust or in a Nominee Account – (a) a beneficiary under the trust or nominee arrangement relating to the deposit account shall be regarded as a depositor of the policyholder..." and as such is provided with separate insurance coverage as provided by the The Deposit Insurance (Joint, Trust and Nominee Accounts) Regulations.

- Statutory Trust Accounts

Further, there are certain persons or institutions that are required by statute to maintain Trust Accounts. These are referred to as statutory trust accounts. An example of this is the Administrator-General's Account established under Section 11 of the Administrator-General's Act. In this case funds deposited from the various estates under administration would qualify separately for deposit insurance. Another example is the Attorney/Client Trust Account under the Legal Profession Act, wherein the amounts due to each client in the account would qualify for separate deposit insurance coverage up to the limit.

- **Trust Accounts in the Name of Policyholders and Government Entities**

Deposits held by uninsurable depositors namely: (a) another Policyholder; (b) a statutory body or authority or government company; (c) a ministry, department or agency of the Government; and (d) a parish council, the Kingston and St. Andrew Municipal Corporation or a municipal council, in trust or further to a nominee arrangement either under an agreement or pursuant to an Act of Parliament, each beneficiary is entitled to separate deposit insurance coverage up to the prescribed coverage limit pursuant to the DIA.

- **Nominee Account created under section 29 (1) of Mental Health Act**

The Supreme Court, or a Resident Magistrate's Court may in the cases of property, the value of which is within the monetary jurisdiction of that Court in question, may, when applied to by the nearest relative or the Attorney General exercise jurisdiction over the management of the accounts a patient if the Court is satisfied by evidence that the patient is incapable by reason of mental disorder of managing and administering his property and affairs. The order of the Court would determine the existence of such an account for the benefit of the named persons and the coverage limit would be up to the prescribed limit pursuant to the DIA.

- **Nominee/Custodian Accounts**

It is to be noted that accounts referred to as "Nominee/Custodian Accounts" are also eligible for protection. This is a special purpose trust account where the issuer (the agent, guardian or custodian depositor) and the funds held in those accounts are held for the benefit of named persons such as a principal or ward.

(ii) **Form 2**

Deposit Insurance premiums will be calculated on total insurable deposits indicated in Form 2. In completing Form 2, the category "Any Other Deposit Liabilities" should include deposits held in trust or as a nominee for depositors by:

- Another Policyholder;
- A statutory body or authority or government company;
- A ministry, department or agency of the Government;
- A parish council, the Kingston and St. Andrew Corporation or a municipal council;
- Nominee Account under the Mental Health Act; and
- Nominee/Custodian accounts

(iii) **Survey of the Distribution of Insurable Deposits – Form SID**

The Survey of the Distribution of Insurable Deposits requires Policyholders to provide the total number of deposit accounts, per deposit type, with the related dollar value within the indicated bands as at December 31, 2022 and December 31, 2023.

- a. **Trust & Nominee Accounts (TNA)** - Policyholders are ~~now~~ required to separate TNA's when completing the Form SID, give the entitlement to separate deposit insurance coverage for each beneficiary of a Trust or Nominee Account. This discrete data will

assist the Corporation to arrive at a more accurate estimate of the value of insured deposits for each Policyholder. Policyholders are therefore required to:

- List **each** TNA, with the number of associated beneficiaries and the related dollar value as at December 31, 2023 in the trust account and nominee account sheets provided;
- The above data should include all deposit accounts that are held in trust or as a nominee by: (i) Another Policyholder; (ii) A statutory body or authority or government company; (iii) A ministry, department or agency of the Government; and (iv) A parish council, the Kingston and St. Andrew Corporation or a municipal council, in the trust account and nominee account sheets provided.

In the above context, Policyholders are required to identify each trust account and nominee account from the various categories and indicate the number of beneficiaries associated with each trust account and nominee account.

- b. **Retail and Corporate Deposits – As a key element of the** JDIC's continued thrust to better understand the profile of depositors in the banking system to inform our analysis and intervention/resolution preparedness, Policyholders are being asked to complete the Retail and Corporate Deposits data sheets in the Form SID.

(iv) **General Information**

In regard to the Form 2 and the Form SID, foreign currency denominated deposits should be converted at the **Bank of Jamaica's weighted average selling rate of exchange as at the close of business on December 29, 2023** .