

JAMAICA DEPOSIT INSURANCE CORPORATION



Revised

April 24, 2024

INVESTMENT POLICY

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1.0 BACKGROUND

- 1.1 The Jamaica Deposit Insurance Corporation, established under the Deposit Insurance Act, 1998, (the Act) came into operation on August 31, 1998. Its principal objects are to establish and manage a scheme for the insurance of deposits or parts thereof, placed with Policyholders, against the risk of loss, with the least possible exposure to the Corporation.
- 1.2 A Deposit Insurance Fund (the Fund) was established under Section 17 of the Act. The resources of the Fund are determined primarily from insurance premiums levied on Policyholders, Government advances, other amounts borrowed, subrogated claims recovered, amounts representing the repayment of loan or advances made out of the Fund and the net proceeds from the Corporation's investments.
- 1.3 The types of investment securities in which the Corporation can invest are prescribed in Section 17(2) of the Act, which provides that: "The Corporation may invest any part of the Fund in securities issued or guaranteed by the Bank of Jamaica and securities issued by the Government or in such foreign securities as may from time to time, be approved by the Board.
- 1.4 The Corporation must make payments out of the resources supporting the Fund in respect of an insured deposit up to the maximum coverage limit applicable at the time, in Jamaican currency depositors under the conditions specified in sub-section (1) of Section 18 of the Act. Such payments to depositors must commence within three (3) months of any of the specified conditions, failing which the depositor will be entitled to interest on any outstanding deposit insurance payment. Other payments out of the resources supporting the Fund include loans and advances to Policyholders and principal and interest in respect of monies borrowed by the Corporation, operating and administrative expenses incurred by the Corporation, and any other amounts legally due to a Policyholder or third party arising out of the administration of the Fund.
- 1.5 From an accounting perspective, the Fund belonging to the JDIC in its own right and to which this Investment Policy relates is the surplus or deficit of all transactions conducted on its own behalf in its capacity as insurer as well as fees earned by the JDIC when acting as liquidator or receiver.

2.0 INVESTMENT OBJECTIVES

- 2.1** Subsection (2) of Section 4 of the Act stipulates that “the Corporation shall take all such measures as may be necessary to ensure that there is the least possible exposure of the Corporation to loss”. In this regard, the Corporation's policy is to manage the resources of the Fund in a professional manner, consistent with providing confidence in the deposit insurance scheme. It will, therefore seek at all times to achieve its investment objectives with the least possible exposure to risk.
- 2.2** The Corporation must provide liquidity for its deposit insurance obligations and to meet normal operating needs. The provision of an adequate liquidity profile will be informed by potential, anticipated or contingent insurance payouts and conditions operating in the financial markets.
- 2.3** The Corporation seeks to preserve capital and grow investment returns by adopting a conservative investment policy.
- 2.4** The Corporation seeks to further minimize overall risk by appropriate portfolio diversification within the provisions of the DIA.
- 2.5** The Corporation shall invest expeditiously all residual cash without threatening its liquidity objective.
- 2.6** The Corporation will strive continuously to improve its investment and cash management techniques through the adoption of required best practices, from time to time.
- 2.7** The Corporation will periodically measure its investment performance against acceptable bench-marks.

3.0 LEVELS OF RESPONSIBILITIES AND REPORTING REQUIREMENTS

The levels of responsibilities in the implementation of the Investment Policy are as follows:

- (a) The Board of Directors
- (b) The Investment Committee
- (c) The Treasury Management Committee

- 3.1** The Board of Directors is responsible for approving the overall Investment Policy and strategy recommendations made to it by the Investment Committee. Para 1 of the Schedule of the DIA provides that the Board of Directors shall be responsible for the policy and general administration of the Corporation and the management of the Fund.

- 3.2** The Investment Committee, a Sub-Committee of the Board, is responsible for formulating investment policies and strategies and making recommendations to the Board of Directors. Please refer to the Investment Committee Terms of Reference (Appendix 1)
- 3.3** The Treasury Management Committee (TMC) comprises Senior Managers of the Corporation and oversees the Corporation's day-to-day investment activities. Please refer to the Treasury Management Committee Terms of Reference (Appendix 2)

4.0 INVESTMENT GUIDELINES

4.1 Portfolio Composition

- 4.1.1** The portfolio composition of the Corporation must recognize accessed liquidity needs.
- 4.1.2** The Investment Committee on the basis of the reports and recommendations made by the TMC shall determine the mix of assets to be held in the short, medium and long term investment categories after evaluating:
- I. economic trends, both local and international,
 - II. cash operating needs,
 - III. potential deposit insurance payouts.

4.1.3 *Short Term Investments:*

Short term investments are assets maturing in one year or less.

These include GOJ securities and securities issued by the BOJ, but not necessarily be limited to, the following:

- Call Deposits
- Overnight Deposits
- Certificates of Deposit
- Fixed Deposits
- Treasury Bills
- Securities issued and backed by the Bank of Jamaica (BOJ)
- Medium and long term investments specified at 4.1.6 below having a remaining maturity of one year or less.

- 4.1.4** The foregoing relates to investments in both the local and where applicable, the foreign markets.

- 4.1.5** Investments in other short term assets will be subject to the prior recommendation of the Investment Committee for the approval of the Board of Directors and shall be in accordance with the DIA.

4.1.6 *Medium and Long Term Investments:*

The balance of the Investment Portfolio will consist of medium and long term investments issued by the Government of Jamaica (GOJ) and other sovereign nations, as approved by the Board of Directors, which, as a general rule, are marketable investment grade securities purchased with an original or remaining maturity in excess of one year. (Medium term: over 1 year – 3 years; long term: over 3 years). These include GOJ securities and securities issued by the BOJ.

- 4.1.7** Investments in other short and long term securities which are not listed in Sections 4.1.3 and 4.1.6 will be subject to the prior approval of the Board of Directors.

4.2 Investment Limits

For the purposes of setting limits, the Investment Portfolio will be divided into the following three (3) categories: (i) Government of Jamaica securities, securities issued and guaranteed by the BOJ and deposits with the BOJ (Section 4.2.1); (ii) Deposit products issued by Policyholders (Section 4.2.2); (iii) Foreign securities and investments issued by approved overseas financial institutions (Section 4.2.3). The categories will each have a range within which to operate. The various ranges will be reviewed periodically by the Investment Committee and may be varied with the approval of the Board of Directors.

- 4.2.1** GOJ securities, Bank of Jamaica (BOJ) securities and deposits with the BOJ which may include those securities denominated in foreign currencies. Not less than 80% of the overall portfolio shall be invested in this category, save and except for circumstances as determined by the TMC when it is deemed appropriate to place deposits with a local financial institution on a short term basis (not exceeding 60 days) in approved deposits.

4.2.2 Deposit products issued by Policyholders:

Not more than 10% of the overall portfolio shall be invested in this category, save and except for circumstances warranting short term deposits as outlined at Section 4.2.1. Within this limit, deposit products held in any single institution and its subsidiaries shall be contained within a fixed predetermined level to be decided upon by the TMC with the approval of the Investment Committee.

4.2.3 Foreign securities:

Not more than 20% or such percentage as approved by the Board of Directors from time to time, of the overall portfolio shall be invested in this category. Within this limit, the proportion of investments acquired through any single institution and its subsidiaries shall be contained within a fixed predetermined level to be decided upon by the Investment Committee.

The level of investment in foreign securities will be determined by the Investment Committee within the prescribed guidelines for investment in foreign securities. Investment in this category shall be based on acceptable ratings provided by reputable agencies. A rating shall be deemed unacceptable if it is less than AAA.

4.3 Prohibited Transactions

4.3.1 The Corporation shall not engage in any financial transaction which is not consistent with the provisions of the DIA and this Policy.

4.3.2 The following, both local and foreign, are specifically excluded from the investment portfolio:

- (i) stocks and shares of public and private companies,
- (ii) investments securities which are in any way backed by the stocks and shares of public and private companies,
- (iii) structured or syndicated loan arrangements
- (iv) real estate,
- (v) alternative investments,
- (vi) Any other financial transaction not specifically allowed under the DIA or this Policy.

4.4 Appointment of Brokers/Dealers/Depositories

4.4.1 Brokers/Dealers

The Corporation will not favour any Broker or Dealer, but will seek to make placements based on net returns offered, reputation and the level of professional service delivery.

4.4.2 Local Brokers/Dealers/Depository

All local brokers /dealers are to be licensed by the Financial Services Commission (FSC).

4.4.3 Overseas Brokers/Dealers/Depositories

Overseas Brokers/Dealers/Depositories will be appointed for specific overseas investment transactions after taking into account relevant government policy, the recommendation of local brokers, the type of investment instrument being purchased following the necessary research and approval of the TMC. The research may include:

- a. Review of the respective institution's financial statements
- b. Confirmation that the broker is duly licensed to carry on its business
- c. Reviews from Rating Agencies
- d. Relationship with local brokers/dealers
- e. Review of references

4.4.4 Bank of Jamaica acting as Dealer

The TMC must consider and where possible carry out investment placements through the BOJ Market Operations and Analysis Division for GOJ securities and securities issued by the BOJ.

4.5 Evaluation of Risks and Monitoring

The Corporation's liquidity needs are determined by a number of factors, one major factor being the actual and potential liabilities of the Corporation from year to year.

4.6 Accounting Treatments of Investments

The reporting on the investment portfolio must be in accordance with International Accounting Standards. Investment instruments must be classified into one of two categories for financial accounting purposes: Available-for-Sale or Held-to-Maturity by the TMC.

The classifications are:

- **Available-for-Sale**
Fixed Rate Investment instruments not expected to be held to maturity.
- **Held-to-Maturity**
Variable Rate Investment instruments being held to maturity.

The following will apply to the valuation of the Investment instruments:

1. Fixed Rate Investment instruments are to be valued on a monthly basis using yield curves provided by the PSOJ, Bloomberg or any other provider approved by the TMC.

2. Investment instruments denominated in foreign currency and currencies are to be valued at the Bank of Jamaica's weighted average purchase rate.
3. All estimates of market values for Investment instruments are to be consistent with those used for financial reporting.
4. Fixed Rate Investment instruments are to be valued on a monthly basis using yield curves provided by the PSOJ, Bloomberg or any other provider approved by the TMC.
5. Investment instruments denominated in foreign currency and currencies are to be valued at the Bank of Jamaica's weighted average purchase rate.
6. All estimates of market values for Investment instruments are to be consistent with those used for financial reporting.

4.7 Benchmark

The performance of the Investment Portfolio will be determined when compared with the market performance, assuming no intervention strategy or payout is carried-out during the review period by the Corporation.

4.8 Disclosure of Interest

At the beginning of each Investment Committee meeting and each Treasury Management Committee meeting, and or not later than before the placement of an investment transaction, or the taking of a decision in favor of any person, whether individual or company, or any associate of such individual or company in, or in connection with, such person or such associate, members of the Investment Committee and of the Treasury Management Committee shall disclose to the Committee whether or not they have a material interest as defined herein and shall recuse him/herself from that investment decision.

Material interest shall relate to or be in connection with any individual broker/dealer or the group of which they are a part and shall apply to the members of the JDIC Treasury Management Committee and the Investment Committee of the Board of Directors of the JDIC, being staff and officers of the JDIC who are involved in the investment decision making. The materiality of interest shall also be applicable to immediate family members or any person who has a relationship with the member of the JDIC Treasury Management Committee or Investment Committee of the Board of Directors of JDIC as such as an immediate family member. Material interest shall be determined as follows:

- a) In relation to bank accounts and investment accounts, a global amount which exceeding J\$12,000,000.00 or the equivalent in a foreign currency;
- b) In relation to shareholdings, any holding in excess of five per cent of the total

- outstanding shares of the issuer;
- c) In relation to loan accounts, where the interest rate is less than three per cent points below the average loan rate for similar categories of loan in the market.

4.9 Engagement of Investment Consultant

The Investment Committee will have the option to propose/recommend to the Board of Directors for the engagement of the services of an investment consultant, from time to time. The services may include but not limited to advice on the strategies in the management of investment transactions and or/advice on procedures and systems, both locally and overseas.

4.10 Investment Policy Review

The Investment Policy shall be reviewed annually. The TMC shall prepare and submit proposed amendments for the review of the Investment Committee and ultimate approval by the Board of Directors.

DOCUMENT CHANGE CONTROL

JAMAICA DEPOSIT INSURANCE CORPORATION INVESTMENT POLICY

Date Prepared/ Updated	Section	Title/Page	Change Summary Reference	Date Approved by TMC	Date Approved by COM/Investm ent Committee/ Board
					September 1988
June 2000					
November 2001					
March 29th 2004					
October 31, 2005					
December 12, 2005					
June 25, 2008					
June 15, 2009					
31st July 2009					
12th September 2011					
19th July 2012					
26th November 2015					
Amended November 15, 2021			<p>Amended Item 4.8 Disclosure of Interest to read as:</p> <p>At the beginning of each Investment Committee meeting and each Treasury Management Committee meeting, and or not later than before the placement of an investment transaction, or the taking of a decision in favor of any person, whether individual or company, or any associate of such individual or company in, or</p>		

Investment Policy

Date Prepared/ Updated	Section	Title/Page	Change Summary Reference	Date Approved by TMC	Date Approved by COM/Investm ent Committee/ Board
			in connection with, such person or such associate, members of the Investment Committee and of the Treasury Management Committee shall disclose to the Committee any interest whatsoever the member may have in, or in connection with the individual or the company and shall recuse him/herself from that investment decision.		
March 28, 2024	4.8	Disclosure of Interest	Section 4.8 was amended to require IC and TMC members to disclosure a material conflict of interest based on prescribed parameters, to include inter alia, bank and investment account balances exceeding J\$ 12 Million, shareholdings exceeding 5% of total outstanding shares, and loan accounts with interest rates greater than 3% below the average market rate.	March 28, 2024	IC Approval: April 24, 2024

Approvals:

Jamaica Deposit Insurance Corporation

First approved by the Board: September 1998

Amended: June 2000

Amended: November 2001

Amended: 29th March, 2004

Amended: 31st October, 2005

Amended: 12th December, 2005

Amended: 25th June 2008

Amended: 15th June 2009

Amended: 31st July 2009

Amended: 12th September 2011

Amended: 19th July 2012

Amended: 26th November 2015
Amended: November 15, 2021
Amended: April 24, 2024

**JAMAICA DEPOSIT INSURANCE CORPORATION
INVESTMENT COMMITTEE
TERMS OF REFERENCE**

The Terms of Reference is divided into six (6) parts, as follows:

1. Overall Purpose/Objectives
2. Authority
3. Organization
4. Roles and Responsibilities of the Members of the Investment Committee (the Committee)
5. Reporting Responsibilities
6. Other Responsibilities

1. Overall Purpose/Objectives

The overall purpose and objective of the Investment Committee will be to ensure that:

- (a) The Board of Directors is able to carry out its mandate with respect to the Management of the Deposit Insurance Fund in an effective manner in accordance with due governance policies and procedures established by the Board of Directors.
- (b) An Investment Policy, duly authorized by the Board, is in place and amended from time to time and complies with governing law and takes into account standards of best practices and allows for the consideration of the nuances of and developments in the local and international markets such that prudent investment decisions are made with relevant risks taken into account in furtherance of objectives of the Corporation.

- (c) The Corporation's investment decisions and activities comply with the Investment Policy as amended from time to time.
- (d) Amendments to the Investment Policy must be approved by the Board.
- (e) Oversee the execution of specific decisions of the Board with respect to the Investment Policy.
- (f) Maintain limits of delegated authority, as stated in Section 4.0 – Investment Guidelines of The Policy to enable Management to carry out the day to day requirements of the investment function. Periodic review of these limits will be undertaken, but in any event, at least once annually.

2. Authority

The Board authorizes the Committee, within the scope of its mandate to obtain legal, investment or other professional advice, as required.

3. Organization

- (a) The Committee will comprise at least, two (2) members of the Board of Directors, one of whom is the Chief Executive Officer (CEO), the Chief Financial Officer and two (2) other senior members of Staff, who are recommended to the Board of Directors by the CEO. Board members may be appointed to the Investment Committee by the Board of Directors.
- (b) The Chairperson of the Committee has to be a Board Member (not the CEO), appointed to the position by the Board of Directors.
- (c) A quorum for any meeting will be any three (3) members, provided one is a Board Member who chairs.
- (d) The Secretary of the Committee will be a suitably qualified individual,

which may include a member of staff recommended by the CEO.

- (e) Meetings will be held on a quarterly basis or as determined by the Committee to assess financial and economic trends and developments (local, regional and international) and to evaluate the Investment Portfolio. Special meetings may be convened, as required.

4. Role and Responsibilities of the Members of the Committee

- a) To perform his or her roles effectively, each Committee Member will obtain an understanding of the economic and investment environment, an understanding of the detailed responsibilities of Committee membership as well as the Corporation's business, operations and risks.
- b) Evaluate the Investment Portfolio performance on a regular basis.
- c) The Committee on the basis of reports and recommendations made by the Treasury Management Committee shall determine the mix of assets to be held in the short, medium and long-term investment categories immediately following the annual Fund evaluation exercise.
- d) The decisions of the Committee shall be by a majority of votes and the Chairperson shall have both an original and a casting vote.
- e) Formal Minutes, incorporating decisions taken shall be kept of all Investment meetings and an Investment Report shall be submitted to the Board of Directors on a quarterly basis.

5. Reporting Responsibilities

- a) The Committee shall maintain the reporting relationships as stipulated in the Investment Policy.
- b) The Committee may report on the Corporation's investments to external agencies, from time to time.
- c) The Committee shall ensure that the Board of Directors is aware on a timely basis of all matters which may significantly impact the Investment Portfolio of the Corporation.

6. Other Responsibilities

- (a) Perform other related functions as requested by the Board of Directors.
- (b) Review and update the Terms of Reference and the Investment Policy and make recommendations for consideration by the Board of Directors.
- (c) If necessary, compile special investment reports and, if appropriate, hire consultants or experts to assist.
- (d) Ensure that all regulatory compliance matters have been considered in the completion of investment transactions.
- (e) To keep abreast of the experiences of other deposit insurers regarding their investment techniques and policies.

Revision Status:

*Jamaica Deposit Insurance Corporation
Investment Committee Terms of Reference
September 25, 2006 – Approved by the Board of Directors*

*Jamaica Deposit Insurance Corporation
Investment Committee Terms of Reference
Revised -February 23, 2011
Approved by the Board of Directors – September 30, 2011*

*Investment Committee Terms of Reference – First Draft
September 11, 2014*

*Reviewed by the Investment Committee – November 16, 2015
Approved by the Board of Directors – November 26, 2015*

**JAMAICA DEPOSIT INSURANCE CORPORATION
TREASURY MANAGEMENT COMMITTEE
TERMS OF REFERENCE**

The Terms of Reference is divided into six (6) parts, as follows:

1. Overall Purpose/Objectives;
2. Authority;
3. Organization;
4. Roles and Responsibilities of the Members of the Treasury Management Committee (TMC);
5. Reporting Responsibilities; and
6. Other Responsibilities.

1. Overall Purpose/Objectives

Oversee the Corporation's day-to-day treasury management and investment activities to be effected by the Finance and Investment Section in keeping with the Investment Policy.

2. Authority

The Committee of Management (COM) authorizes the TMC, within the scope of its responsibilities to:

- (a) Oversee the execution of specific decisions of the Investment Committee and the COM with respect to the investment activities;
- (b) Recommend to the Investment Committee, amendments to the Investment Policy for consideration from time to time, as required; and
- (c) Obtain legal, investment or other professional advice, as required.

3. Organization

- (a) The TMC will be appointed by the COM and will comprise at least, seven (7) members including the Chief Executive Officer (CEO), Chief Finance and Corporate Services Officer (CFCSO), , the Director, Finance and Investment (DFI), Director, Monitoring and Risk Assessment (DMRA), and at least three (3) members of Staff from the Finance and Corporate Services Branch and the Monitoring and Resolution Branch, determined by the COM.
- (b) The Chairperson of the TMC will be the CFCSO.
- (c) Members, other than the Chairperson and the CEO will be appointed by the COM from time to time.
- (d) A quorum for any meeting will be four (4) members, to include the Chief Finance and Corporate Services Officer, or the Director of Finance and Investment, and the DMRA or a designate of the DMRA.
- (e) The Secretary of the TMC will be the Operations and Technical Assistant,

Finance and Investment or such other person as appointed by the COM.

- (f) The TMC shall take into account economic vulnerabilities and the evaluation of adequacy of the Fund.
- (g) The TMC may invite such other persons (e.g. General Counsel/Corporate Secretary, Members of the Monitoring and Risk Assessment Department) to its meetings, as it deems necessary.
- (h) Meetings will be held on a monthly basis or as determined by the TMC. Special meetings may be convened or round-robin approval obtained for investment transactions, as required.
- (i) The decisions of the TMC shall be a majority of votes and the Chairperson shall have both an original and a casting vote.

4. Roles and Responsibilities of the Members of the Treasury Management Committee

The TMC will be responsible for:

- (a) The implementation and management of approved investment strategies and decisions of the Board of Directors and the Investment Committee as well as the day-to-day management of financial transactions;
- (b) The undertaking of regular market research in order to advise the Investment Committee on policy issues, appropriate investment strategies and liquidity management;

- (c) The maintenance of an adequate reporting system including monthly financial statements and the quarterly Investment Report, thus ensuring conformity with the stated investment objectives and policies;
- (d) The maintenance of an adequate system of internal controls with respect to the access to, receipt, custody, delivery and registration of securities, and the maintenance of comprehensive records of holdings, income accruals and coupon payments received. Where the records of investment holdings are maintained electronically, monthly reconciliations of the Central Securities Depository Limited (CSD) statements from the Brokers against the internal records of investment decisions and placements;
- (e) Ensuring that printed statements from the Brokers and/or the CSD are obtained to verify that securities are electronically recorded with the CSD or other Government designated Depository within 24 hours of the placement of the funds with the Broker and reconciling monthly the Investment instruments balances in the CSD with the internal records of the Corporation. Ensure the safe custody of securities and other investment documents, which are not required to be deposited in the CSD, are held in dual custody safekeeping in the Corporation;
- (f) Evaluating the Investment Portfolio performance, at least on a quarterly basis. Conducting an ongoing review of the maturity profile of the Investment Portfolio and providing a comprehensive annual review for the Investment Committee to ensure that it reflects the current economic environment and the investment decisions of the Corporation;
- (g) Evaluating the automated/computerized investment processing facilities to ensure that they are meeting the needs of the Corporation;

- (h) The Chairperson of the TMC will prepare a brief summary on investment activities on a monthly basis for the Management. A more comprehensive report incorporating the status and recent investment experience of the portfolio should be prepared for the Investment Committee on a quarterly basis.

5. Reporting Responsibilities

- (a) The Chairperson of the TMC shall maintain the reporting relationships with the COM and the Investment Committee.
- (b) The Chairperson of the TMC may report on the Corporation's investments to external agencies, as approved by the COM or the Investment Committee as the case may require.
- (c) The Chairperson of the TMC shall ensure that the COM and the Investment Committee are aware on a timely basis of all matters which may significantly impact the investment portfolio of the Corporation.

6. Other Responsibilities

- (a) To perform his or her roles effectively, each Committee Member will be au fait with the detailed responsibilities of Committee membership as well as the Corporation's business, operations and risks and obtain an understanding of the economic and investment environment and within the context of the Investment Policy.
- (b) Each Committee Member shall keep abreast of best practices and the experiences of other deposit insurers regarding Investment/Fund management.

- (c) The Committee shall review and update the Terms of Reference and make recommendations for updating the Investment Policy and make recommendations for consideration by the Investment Committee. Before such recommendations shall be submitted for the consideration of the Investment Committee they shall first be vetted by the COM.
- (d) The Committee shall as necessary, compile special investment reports.
- (e) The Committee shall ensure that all regulatory compliance matters have been considered in the completion of investment transactions.
- (f) The Committee shall perform other related functions as requested by the COM and the Investment Committee.

REVISION HISTORY:

Treasury Management Committee Terms of Reference

Prepared: July 17, 2009

Approved - Committee of Management – July 20, 2009

Prepared: February 23, 2011

Approved – by the Board of Directors – September 30, 2011

Revised: September 11, 2014

Reviewed – by the Investment Committee – November 16, 2015

Approved – by the Board of Directors - November 26, 2015

Reviewed – by the Treasury Management Committee – January 10, 2024

Approved – by the Investment Committee – April 24, 2024



**JAMAICA DEPOSIT INSURANCE
CORPORATION
AUTHORIZATION OF SIGNING OFFICERS'
POLICY**

April 2021

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1.0 Preamble

The Board of Directors may, by resolution, authorize any officer or agent of the Corporation to enter into contracts or to execute any instrument in the name of, and on behalf of, the Corporation. No officer, agent, employee or other person purporting to act on behalf of the Corporation shall have any power or authority to bind the Corporation in any way, to pledge the Corporation's credit, or to render the Corporation liable for any purpose or in any amount, unless that person was acting with authority duly granted by the Board or as otherwise provided herein, or unless the unauthorized action was later ratified by the Board.

There are four (4) main components to the approach to control as listed hereunder:

- of
- a. The institution of a budget and operating within the framework that budget;
- procurement
- b. Adherence to the Government of Jamaica (GOJ) procedures and guidelines;
- of
- c. Operation of a tiered system with dual controls for the signing commitments and payments, etc.; and

- d. Specification of signing officers is as documented in the panels tabulated below.

2.0 Definitions:

The following terms shall have the meanings ascribed to them for the purposes of the Authorization:

"Commitment" shall mean any contract, agreement, purchase order, promise, expression of intention, work order, or invitation to contract, entered into, given or made by the Corporation, or any of its officers consistent with the terms of this Authorization of Signing Officers' Policy and by which the Corporation may become legally bound.

"Discretionary Payment" shall mean any payment made or agreed to be made that was not included under approved Budget submitted to the Board relating to the financial year in which the payment is to be made.

"Executive Director" shall mean the persons in the executive management of the Corporation with a direct line of reporting to the Chief Executive Officer.

"Resolution" shall mean the utilization of resolution tools to non-viable Policyholders, their holding companies and subsidiaries and to effect the winding up of insolvent financial institutions or any other meaning that is assigned in section 2 of the Financial Institution Resolution Act (once tabled) and includes payments out of the Deposit Insurance Fund in respect of insured deposits.

"Virement" shall mean where operating requirements of a department make it necessary to reallocate

budget¹². expenditure within the approved
 "Volume" shall mean the quantity, amount, number or
 being measurement of services or goods
 the contracted, procured or engaged by
 Corporation.

PART B

3.0 Operating and Capital Expenditure Commitments and Payments

The Committee of Management ("Management") will apply the following policies and authorities in respect of operating and capital expenditure commitments and payments:

- a. Prior to submission of the Corporation's draft budget to the Minister of Finance and the Public Service ("the Minister") on November 30 of each year, the Board shall approve the said draft. The final budget, as approved by the Minister, serves as the basis for commitments and payments by Management and the Board.
- b. Commitments and payments not included in the budget require the specific approval of the Board or the approval of the Chief Executive Officer ("the CEO") under his/her Authorization to make discretionary payments.

4.0 Discretionary Commitments and Payments

For discretionary commitments and payments, the following shall apply:

- a. The CEO may approve discretionary commitments and or payments not exceeding \$1,500,000.00 and, in any event, the CEO may approve only two such payments prior to the convening of a Board meeting.
- b. The CEO and one other member of the Board may grant approval for amounts exceeding \$1,500,000.00 consistent with 6.0 (b) below. However, there shall only be one such grant of approval before

¹ As per The Financial Management Regulations, 2011 s.21(1)

² The Financial Management (Amendment) Regulations, 2015 s.21

the
convening of a Board meeting.

Approvals under (a) and (b) are to be given where it is impractical to await the holding of a meeting of the Board in order to obtain any requisite approval. A statement of the particulars of any discretionary payment shall be presented to the Board at its next meeting after the decision is made concerning discretionary payment. This shall apply in all cases, save and except that in the event such meeting does not take place within three months of the decision, then each member of the Board will be provided with a statement of the particulars of the payment, delivered at their mailing address or via electronic mail for consideration and ratification.

5.0 Virement

Where the operating requirements and imperatives of the Corporation make it necessary to rearrange or reallocate any non-wage recurrent component of the budget ("virement") for programmes, activities, sub-activities, objects within a single budgetary classification. Savings under one or more classifications may be utilized to provide for additional expenditure under other classifications without affecting the total funds to be disbursed. The rearrangement or reallocation of such savings shall be approved by the CEO, and thereafter the Board notified.

6.0 Authorization Panels - Operating and Capital Expenditure Commitments

All commitments shall be made only in accordance with the Corporation's policies and procedures in relation to the procurement of goods, services, and works and shall be guided by the procurement procedures issued by the Government of Jamaica. Nothing in this Authorization shall be taken to obviate the need for an officer to first ensure the strict application of such policies and procedures.

All commitments shall be given in accordance with this Authorization.

The panel of signatories and the authority of Officers and the Board in respect of operating and capital expenditure commitments shall, (subject to the provisions for Investments in Part C), be as follows:

a. PANEL OF AUTHORIZED SIGNATORIES	
PANEL A	BOARD OF DIRECTORS
PANEL B	COMMITTEE OF MANAGEMENT
	i. Director, Finance, Funds & Asset Management
	ii. General Counsel/Corporate Secretary
	iii. Director, Intervention, Resolutions and International Relations
	iv. Director, Monitoring and Risk Assessment
	v. Manager, Corporate Communications
	vi. Manager, Human Resource and Administration
PANEL C	i. Legal Officer
	ii. Manager, Accounts and Finance
	iii. Senior Analyst, Monitoring and Risk Assessment
	iv. Senior Analyst, Intervention, Resolutions and International Relations

b. PANEL LIMITS	
Amounts up to \$999,999.99	Any two signatories from Panels A, B, and C
\$1,000,000.00 up to \$9,999,999.99	i. any two Panel A signatories; or ii. any two Panel B signatories; or iii. any Panel A and Panel B signatory; or iv. any Panel C signatory and any other signatory in Panels A or B
\$ 10,000,000.00 up to \$29,999,999.99	i. any two Panel A signatories; or ii. any Panel B signatory along with a Panel A signatory
\$30,000,000.00 up to \$59,999,999.99	Upon the approval of the Board of Directors, MoFPS, and Public Procurement Commission: i. any two Panel A signatories (inclusive of the Chairman of the Board); or ii. the Chairman of the Board and the General Counsel/Corporate Secretary

\$60,000,000.00 and above	<p>Upon the approval of the Board of Directors, MoFPS and Cabinet:</p> <ul style="list-style-type: none"> i. any two Panel A signatories (inclusive of the Chairman of the Board); or ii. the Chairman of the Board and the General Counsel/Corporate Secretary
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7.0 Resolution Operations

The above signing authority is applicable for all transactions relating to the resolution of non-viable Policyholders, their holding companies or subsidiaries, with the exception of requiring approvals from the Cabinet and Public Procurement Commission. Procurement of goods and services for the purpose of exercising resolution functions under section 5(2), will be treated under the category of emergency procurement under the existing GOJ Handbook of Public Sector Procurement Procedures- Volume 2 of 4.

PART C

8.0 Investments

The Deposit Insurance Act (DIA), section 17(2) states that investment of any part of the Fund may be placed in Government of Jamaica, Bank of Jamaica, securities issued or guaranteed by the Bank; securities issued by the Government or in such foreign securities as may from time to time be approved by the Board; or any other investment approved by the Minister, upon the recommendation of the Board. Section 17(3) of the said Act permits the holding of other monies comprising the Fund with the Bank of Jamaica or such other banks as the Corporation may determine.

The signing authority for payments in relation to section 17 (2) of the DIA shall be the same as the signing authority for the Corporation's bank accounts, as provided in Part D.

Commitments and payments under this Part shall be supported by the written Authorization of the Treasury Management Committee.

PART D

9.0 Panels of Authorized Signatories for Payment Instructions for Bank Accounts and Investments

Approval must be given for the signing of cheques, orders/instructions for payment (including via electronic means), and other transactions with the Corporation's banker(s). Therefore, the respective Panels of Authorized signatories and range of their signing authority in respect of the Corporation's bank accounts are as follows:

c. PANEL OF AUTHORIZED SIGNATORIES	
PANEL A	i. Chief Executive Officer
	ii. Director, Finance, Funds & Asset Management
	iii. General Counsel/Corporate Secretary
PANEL B	i. Director, Intervention, Resolutions and International Relations
	ii. Director, Monitoring and Risk Assessment
	iii. Manager, Corporate Communications
	iv. Manager, Human Resource and Administration
PANEL C	v. Legal Officer
	vi. Manager, Accounts and Finance
	vii. Senior Analyst, Monitoring and Risk Assessment
	viii. Senior Analyst, Intervention, Resolutions and International Relations
NOTE: Where any signatory assumes chairmanship of the Procurement/Asset Disposal Committees that person shall be immediately precluded from signing any cheque drawn, or order/instructions for payment, as a consequence of or arising out of any decision taken during such chairmanship.	

d. PANEL LIMITS	
All cheques, endorsements, or orders/instructions for payments, require two signatures for payment as follows:	
Amounts up to \$1, 999, 999.99	<ul style="list-style-type: none"> i. any two Panel A signatories; or ii. any Panel A and Panel B signatories; or iii. any Panel C signatory and any other signatory in Panels A or B.
\$2,000,000.00 and over	<ul style="list-style-type: none"> i. Any two Panel A signatories; or ii. Any two Panel B signatories; or iii. Any Panel A and Panel B signatories.

1. Where two officers have made a commitment in respect of operating and capital expenditure only one such officer of the two shall be permitted to countersign a cheque or orders/instructions for payment in connection with that commitment; save and except the officers verifying the accuracy of the payroll and other employee payments may also sign cheques, orders, and instructions for payments in connection with said payroll and other employee payments.

2. Wherein circumstances two officers have made a commitment in respect of the Operating and Capital Expenditure, and there are no other Authorized signatories present to sign a cheque or orders/instructions for payment other than the first two such officers, then with written advice supported with the necessary documentation by them to the COM, they may thereupon sign with a response from an eligible Authorized signatory (s) consistent of the signing authorities of this Part.

10.0 Electronic Transactions

Where transactions are in electronic format, the encrypted signatures as defined in the Electronic Transactions Act, 2006 shall be used.

11.0 Indemnities, Guarantees and Undertakings

Any indemnity, guarantee, or undertaking issued by or on behalf of the Corporation requires two signatures from a Panel comprising the Board of Directors on the advice of the General Counsel & Corporate Secretary.

12.0 Formal Appointment of Signatories

No officer shall have the authority to sign any document or make any commitment or payment on the Corporation's behalf unless and until he/she has completed the probationary period and has been formally appointed to his/her post in the Corporation, save and except with the authorization of the CEO or the Director, Finance, Funds and Asset Management.

DOCUMENT CHANGE CONTROL

JAMAICA DEPOSIT INSURANCE CORPORATION AUTHORIZATION OF SIGNING OFFICERS' POLICY

Date Prepared/ Updated	Section	Title/Page	Change Summary Reference	Date Approved by Board/Board Committee
	All			<i>Prepared and approved by the Board in September 1998</i>
Amended June 2000				
Amended November 2001				
Amended March 29, 2004				
Amended October 31, 2005				
Amended December 12, 2005				
Amended June 25, 2008				
Amended June 15, 2009				
Amended July 31, 2009				

APPENDIX 3

Amended September 12, 2011				
Amended July 19, 2012				
Amended March 31, 2013				
Amended September 19, 2014				
Amended March 14, 2018				Approved by the Audit Committee on March 28, 2018 Approved by the Board of Directors on May 16, 2018
Amended July 29, 2020	6 (b) 9 (b)	Signing Authority		Approved by the Committee of Management on
Amended October 26, 2020			Amend Table of Contents Amend Item 6 - Panel of Authorized Signatories and Panel Limits Amend Item 9 - Panel of Authorized Signatories and Panel Limits	Approved by the Committee of Management on

Amended December 14, 2020 and December 23, 2020			Insert definition for Resolution and other minor changes and 12.0 Formal Appointment of Signatories save and except with the authorization of the CEO or the Director, Finance, Funds and Asset Management.	Approved by the Committee of Management on December 23, 2020. Approved by the Board of Directors at the 145th meeting, on January 20, 2021.
Amended April 20, 2021 and April 21, 2021			Amend 6.0 Authorization Panels - Operating and Capital Expenditure Commitments, Panel Limits and 9.0 Panels of Authorized Signatories for Payment Instructions for Bank Accounts <u>and Investments.</u> <u>Panel Limits.</u>	Approved by the Committee of Management on April 20, 2021. Approved by the Board of Directors at the 146th meeting, on April 21, 2021.