

ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE ADDRESSED TO THE
FINANCIAL SECRETARY AND THE FOLLOWING REFERENCE NUMBER QUOTED:-

Telephone No. 92-28600-16
Website: <http://www.mof.gov.jm>
Email: info@mof.gov.jm

**MINISTRY OF FINANCE AND PLANNING
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA**

DECEMBER 17, 2012

CIRCULAR NO. 40

File No. 107/125

Division: Public Expenditure Policy Coordination Division

Permanent Secretaries

Heads of Departments

Chief Executive Officers

Chairmen of Board

Re: Bank of Jamaica (BOJ) Centralized Facility for Foreign Exchange Purchases

The attention of Permanent Secretaries, Heads of Departments, Chief Executive Officers and Chairmen of Boards is invited to the following guidelines issued by BOJ in January 2009, for ensuring the effective use and management of foreign exchange in the public sector.

Whereas it is recognized that not all entities will have a need to acquire foreign exchange under this centralized facility, the information outlined below pertains to those entities which may have a need to avail themselves of this facility to purchase foreign exchange in order to satisfy large amounts payable to creditors.

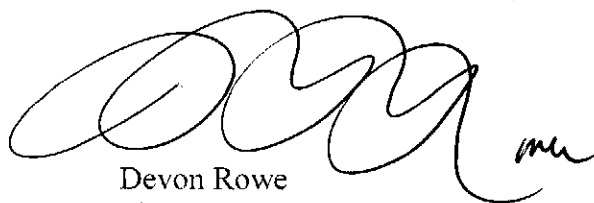
The following are procedures in respect of BOJ's Centralized facility for foreign currency management and purchase:

- i. Ministries, Departments, Agencies (MDAs) and Public Bodies must provide BOJ with the following:
 - a. details of the amount and timing of expected foreign exchange inflows for each quarter, commencing the quarter January to March 2013;
 - b. The value of each foreign currency deposit/placement held with financial institutions locally and overseas, including an indication of amounts which may be engaged for use as collateral, where applicable;
 - c. A three-month projection of foreign exchange payables disaggregated on a weekly basis, commencing with information for the quarter January to March 2013.

- ii. BOJ requires that requests to purchase foreign exchange are to be made at least two (2) business days prior to the date when the foreign exchange is required for payment, or within the shortest time possible, after the agency has received payment notices from creditors.
- iii. To effect payments, MDAs and Public Bodies must submit to the BOJ, the settlement information for creditors, including, name, address and bank information.
- iv. The applicable exchange rate which the BOJ shall provide is computed at the end of each business day. The applicable exchange rate is provided to the relevant public officer via electronic mail on the evening before the date for the transaction.
- v. The MDA or Public Body must credit the BOJ's account #144134 through their respective commercial bank with the equivalent JMD at the applicable exchange rate, plus charges attached to the settlement of the transaction.
- vi. All bank charges are quoted in foreign currency. However, the equivalent amount is determined using the applicable exchange rate and are payable in Jamaica Dollars via direct credit to BOJ's account#144134.
- vii. On confirmation of the receipt of the JMD funds for settlement, the BOJ will wire the foreign currency to the creditor, or will issue a foreign draft in the name of the creditor. MDAs and Public Bodies must provide settlement details of all creditors in writing to the Bank of Jamaica. Where drafts are requested, agencies must make relevant arrangements to retrieve prepared drafts from the Bank.

Conclusion

Permanent Secretaries, Heads of Departments, Chief Executive Officers and Chairmen of Board of Directors must ensure that this circular is brought to the attention of all relevant public officers in their Ministry, Department, Agency or Public Body.



Devon Rowe
Financial Secretary