

MINISTRY PAPER NO. 116/13

**FIRST QUARTERLY REVIEW OF THE EXTENDED FUND FACILITY WITH THE
INTERNATIONAL MONETARY FUND**

1. The matter for tabling in the Honourable House of Representatives is the Letter of Intent (LOI), and Supplementary Memorandum of Economic and Financial Policies (MEFP) submitted to the International Monetary Fund (IMF) within the context of the first quarterly review of Jamaica's performance under the Extended Fund Facility (EFF) by the IMF Staff.
2. The IMF staff review confirmed that the country met all quantitative targets and structural benchmarks for the period April 2013 through June 2013 and is currently on track to achieve future targets. The IMF Board on September 30, 2013 completed the first review of Jamaica's performance noting that implementation has been strong despite the weak economic environment.
3. The Honourable House is asked to note that due to ongoing discussions with the IMF on the Fiscal Incentives Bill (commonly referred to as the Omnibus Tax Incentive Legislation) post the review mission, it was recognized that tabling of this Bill would need to be somewhat delayed to facilitate additional technical work required to inform aspects of this Bill. It is expected that the Bill will be tabled by end October 2013. The IMF Staff informed the IMF Board of this delay and Deputy Managing Director, Mr. Nayouki Shinohara has stated that the "expected short delay in submission to parliament of a new law on tax incentives should not postpone its enactment".
4. Completion of the review enables Jamaica to access the second drawdown under the EFF programme of approximately US\$30.6 million as well as loans from the Inter-American Development Bank and the World Bank.
5. The Supplementary MEFP provides additional details on the near term structural benchmarks and commitments and incorporates minor adjustments to the original programme conditionalities.



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