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Jamaica: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

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April 18, 2017

March 29, 2017

The following item is a Letter of Intent of the government of Jamaica, which describes the policies that Jamaica intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Jamaica, is being made available on the IMF website by agreement with the member as a service to users of the [IMF](#) website.

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Letter of Intent

Kingston, Jamaica
March 29, 2017

Ms. Christine Lagarde
Managing Director
International Monetary Fund
Washington, DC 20431

Dear Ms. Lagarde,

The Government of Jamaica continues to implement its economic reform programme, now supported by a three-year precautionary Stand-By Arrangement (SBA), approved by the Executive Board of the IMF in November last year. We seek to catalyse a positive cycle of growth and job creation with increasing support for our poorest citizens. To achieve these broad objectives, we are re-orienting the budget composition toward growth-enhancing and social spending, while progressively transforming our public sector to make it more efficient and effective. We have also significantly shifted our tax system from direct to indirect taxes and are expanding and improving security spending as crime represents an insidious obstacle to growth in Jamaica.

Cognizant that successful implementation of our broad and ambitious, yet much-needed, policy endeavour requires involvement of all Jamaicans, we have extended the monitoring of the reform programme beyond the now well-known Economic Programme Oversight Committee (EPOC) to include a Public Sector Transformation Oversight Committee (PSTOC) and the Economic Growth Council (EGC). These independent bodies will regularly report to the public on the GOJ's programme implementation, and elicit public debate around the reform programme. This, we believe, will further strengthen domestic ownership and ensure the GOJ's accountability to the Jamaican people.

We remain committed to the steadfast implementation of the policies committed to in our Letter of Intent (LOI) of October 21, 2016. For the first review period ending December 2016, we have met all but one quantitative performance criteria (PCs). There was a small breach of the PC on the non-accumulation of external debt payments arrears, arising from a public body. These arrears have since been cleared. The breach reflects our limited capacity to closely monitor all the 64 public bodies; with IMF support, we are improving reporting and monitoring of public bodies and bolstering controls. Given the minor amount involved and ongoing strong programme implementation, we request a waiver of nonobservance of this PC for the first review under the SBA. The GOJ has also implemented all the structural benchmarks that were included for this review period, and is on track towards delivering on the policy commitments for the review period ahead.

We have passed a budget for FY2017/18 that targets a central government primary surplus of 7 percent of GDP. The structure of the budget is fully consistent with our broad goals to reform our personal income tax, re-orient the budget towards growth-enhancing spending and prioritize social protection. The budget also makes strides in improving public financial management by bringing some earmarked revenues from public bodies into the Consolidated Fund.

In our efforts to institutionalize exchange rate flexibility and develop the interbank market, we, in line with IMF TA recommendations, are planning to introduce multiple-price FX auctions for the Bank of Jamaica to buy and/or sell FX from and to the market.

On the basis of our performance under the programme thus far, and our strong commitment to its continued implementation, the Government requests that the IMF's Executive Board complete the first review of the SBA and approve the modification of PC for end-June 2017. We also request that (i) the PCs on the ceiling on central government accumulation of domestic arrears and the ceiling on central government accumulation of tax refund arrears be converted from continuous monitoring to periodic and (ii) the coverage of the PC on non-accumulation of external debt payments arrears be narrowed to include only the central government and a subset of the self-financed public bodies.

Our Memorandum of Economic and Financial Policies (Attachment 1) details our policy priorities. The Government of Jamaica believes that the policies set forth therein are adequate to achieve its programme objectives at this juncture but stands ready to take any additional measures that may become necessary. We will consult with the Fund on the adoption of these measures, and in advance of any revisions to the policies contained in this memorandum, in accordance with the Fund's policies on such consultation, and will continue to provide Fund staff with all relevant information needed, as outlined in the Technical Memorandum of Understanding (Attachment 2).

Finally, we authorize the IMF to publish this letter, its attachments and the staff report for this first review under the SBA in line with the transparency commitment of our government.

Very truly yours,

/s/

Andrew Holness
Prime Minister

/s/

Audley Shaw
Minister of Finance and the Public Service

/s/

Brian Wynter
Governor, Bank of Jamaica

Attachment I. Memorandum of Economic and Financial Policies

1. **The Government of Jamaica's reform programme, supported by the three-year Stand-By Arrangement, is off to a good start.** The new SBA has allowed us to renew our commitment to macroeconomic stability and to lay out the foundations of our broader policy direction. The reforms aim to increase economic growth and employment opportunities with support from the private sector, protect the poor, improve citizen security and make our government more efficient for the good of the Jamaican people.
2. **Economic growth and confidence are improving.** Jamaica has now recorded 7 consecutive quarters of positive GDP growth, supported mainly by robust agriculture and strong tourist arrivals. Investor confidence is at an all-time high and inflation is at an all-time low.
3. **An updated policy matrix is included at the end of this document.** The matrix highlights policy measures undertaken to date under the SBA and outlines in more detail the specific timetable of measures for which we are accountable, and by which the Jamaican people will judge our performance going forward.

Focusing on Growth and Job Creation

4. **The private sector-led Economic Growth Council (EGC) continues to support the government's growth agenda by identifying specific and time-bound reforms and monitoring their progress.** The process is anchored around eight key areas that were identified through a wide consultation that the EGC held with various stakeholders:

- Continuing to maintain macroeconomic stability while pursuing debt reduction strategies.
- Improving citizen security and public safety to ensure a safe business environment to attract domestic and foreign investment.
- Improving access to finance including reviewing competition and regulatory policies in the financial sector to facilitate lending and investing while maintaining financial stability.
- Building human capital through labour market reform.
- Continuing to reduce bureaucracy and red-tape to further improve the business environment.
- Stimulating better asset utilization through asset sales and privatizations.
- Enhancing diaspora involvement in economic growth and investment.
- Catalysing the implementation of strategic projects.

The EGC presented its first public progress report of the government's growth measures in January. We will continue to mobilize Jamaicans around the country's growth agenda and will seek support from the World Bank, the IDB, and other development partners in implementing that ambitious, yet much needed transformation of our economy.

A Bigger Social Safety Net and Better Support for the Poor

5. **Poverty in Jamaica is a critical problem that needs immediate attention.** As a first step, we have expanded the PATH School Feeding Programme to 5 days for PATH beneficiaries and the PATH conditional cash transfer benefits have been increased by about 40 percent in the FY2017/18 budget. We also intend to increase coverage of the bottom quintile of households (by consumption level) in the PATH programme. We will also review the efficiency and effectiveness of existing programmes in ensuring that children from poor households remain in school.

Investing in Public Security

6. **We see crime and a lack of public security as a key social and economic issue that is holding Jamaica back.** Further, the impact of crime and insecurity has a greater impact on the poor, worsening social outcomes for all. A comprehensive approach will be put in place, including (i) a broad institutional reform that will reorganize the police force and improve the administration of the court system, (ii) addressing corruption by strengthening the framework around seizures, forfeitures, and witness protection, and implementing AML/CFT measures to prevent the laundering of proceeds of corruption, and (iii) addressing social exclusion, including implementing Clear, Hold, and Build strategies and a review of all informal settlements (where a fifth of Jamaicans live). The budget has been reprioritized to implement some of these identified measures over the course of FY2017/18 (see ¶19 below).

Our Fiscal Strategy

The FY2017/18 budget

7. **The budget continues to target a central government primary surplus of 7 percent of GDP for FY2017/18.** This is consistent with our objective of reducing our public debt stock to 60 percent of GDP by FY2025/26, as mandated by our Fiscal Responsibility Law.

8. **The budget further rebalances from direct to indirect taxation in FY2017/18.** On April 1, 2017, we further raised the exemption threshold for the personal income tax (PIT) from J\$1 million to J\$1.5 million. This second phase of the PIT reform is funded with a set of high-quality revenue measures (developed with support from the IMF), which aim to be fair, progressive, and efficient. New measures include a carbon-related tax, strengthening of property taxes—shown to be both progressive and efficient—and additional GCT base-broadening. The budget expands PATH transfers to protect the vulnerable and extends the school feeding programme to 5 days a week. Plans are underway to improve the administration and targeting of our social programmes. We also remain committed to lowering the costs of tax compliance for companies and individuals alike.

9. **The FY2017/18 budget also prioritizes spending to support growth.** In particular, to fight crime, the budget increases security spending which will allow us to strengthen our security apparatus. The central government capital programme is expected to be 2.6 percent of GDP. The budget also includes provisions for early retirement, in anticipation of the pension legislation, expected to be approved by Parliament in the first quarter of the fiscal year (see ¶13 below).

Public Sector Transformation

10. **We are committed to enhancing the efficiency, quality and cost effectiveness of public services.** Building on the action plan for public sector transformation that was submitted to the Cabinet in September 2016, and as affirmed by the Prime Minister in his policy statement, we will:

- Merge, close, divest, and outsource government functions which are better performed by the private sector.
- Introduce shared corporate services for communications, human resource management and asset management, and centralize legal services.
- Reduce the number of public bodies and strengthen the financial reporting requirements on those entities that remain.
- For strategic interventions such as the implementation of shared corporate services and the rationalization of public bodies, ensure that a plan is in place for transitioning employment from the public sector to the private sector.

11. **To monitor and hold the government accountable in this process of public sector transformation (PST), we have established a Public Sector Transformation Oversight Committee (PSTOC).** The PSTOC is an independent monitoring body comprising members of academia, the private sector, the civil society, labour unions, and the government. The PSTOC will provide quarterly reports to the wider public, complementing the more quantitative reporting of the now well-established EPOC. We have also established a fully staffed PST Unit with the mandate to implement the action plan.

Public Service Reform

12. **Reforms are ongoing to establish a more transparent and rules-based framework for public employment and compensation.** As part of these efforts, we are undertaking a comprehensive compensation review and building a database on all wages and allowances paid to public employees, which is on track for completion for all entities in the central government wage bill by end-March 2017. We are also undertaking a full employee census to verify each employee's post and their eligibility for allowances. We have completed the pilot process and expect to complete this census for all entities in the central government wage bill by end-March 2017. To aid us in our efforts to improve control and monitoring over wage spending, we are also upgrading our human resources software system and putting in place stronger safeguards against hiring outside of approved positions.

Pension Reform

13. **The public sector pension reform bill is being considered by our Parliament and is expected to become effective in the first quarter of the fiscal year.** The proposed law, tabled in Parliament in July 2016, raises the retirement age to 65 years, requires a 5 percent mandatory contribution from workers, expands the benefit assessment period from the last year's wage to the average of the last 5 years' wages, reduces the commutation benefit, and lowers the benefit accrual

rate to 1.8 percent. We intend to undertake an outreach campaign to educate and foster early retirement for eligible public sector workers. While incentivizing early retirement, appropriate safeguards will be instituted to limit replacement, prevent rehiring, and establish strict standards for continued employment after reaching retirement age.

A More Modern Central Bank

14. **We intend to eventually move our monetary framework to an inflation targeting regime, supported by a flexible exchange rate.** We plan to implement a symmetric band of ± 3.5 percent around the medium-term programme target rate of 5.5 percent. This band encapsulates the fiscal year inflation target range used by the Bank of Jamaica. We expect to narrow the band to ± 2.5 percent for 2018 until the end of the programme. The mid-point target rate will be reviewed and potentially tightened based on the prevailing and expected macroeconomic conditions. We remain committed to consulting with the IMF's Executive Board if inflation breaches the specified bands at the programme test date. The consultation will analyse the reasons for the breach, policies undertaken to prevent it, and corrective actions the central bank plans to undertake. By June 2017, the Bank of Jamaica (BOJ) will make the overnight rate its policy rate to increase signalling power.

15. **The latest update of the BOJ safeguards assessment (completed by the IMF in February 2017), confirmed that the safeguards framework at the BOJ remains relatively strong and recommended legal amendments to further strengthen the central bank's governance arrangements.** To strengthen the accountability of the central bank, in the context of transitioning to inflation targeting, we will submit revisions to the BOJ Act to Parliament by February 2018. These will strengthen the BOJ's operational independence and modernize arrangements for paying dividends, appointments to the BOJ Board, and the provision of central bank financing to the government. We will ensure that our organizational structure and technical capacity are consistent with the envisioned modernization.

16. **The central bank is committed to developing a competitive, liquid and transparent foreign exchange market.** To this end, by June 2017, the BOJ will begin buying and/or selling FX from and to the market using multiple-price FX auctions to foster price discovery and increase the transparency and efficiency of the currency market. The FX auctions also aim to steadily phase-out our use of borrowed reserves and surrender requirements and gradually build our foreign currency buffers through market purchases. By the end of the SBA, the central bank's international reserves will exceed 100 percent of the IMF's reserve adequacy metric and we will have reduced our reliance on borrowed reserves.

A Resilient and Inclusive Financial System

17. **We plan to take important steps in 2017 to further improve the framework for financial supervision.** Our aim is to introduce new legislation to enhance the resolution framework for distressed financial sector entities. For the securities dealer industry, we intend to implement regular stress testing, restrict early encashment on retail repos, introduce a liquidity ratio, and

undertake monthly monitoring of the retail repo leverage ratio. In determining a systemically safe level for retail repos, we will be examining a number of indicators, including the retail repo leverage ratio, and additional capital and/or margin requirements. We will also aim to implement safe and effective single and group counterparty exposure limits. To better protect depositors in credit unions, we will table in Parliament a bill to amend the Cooperative Societies Act and introduce the Bank of Jamaica (Credit Union) Regulations, which together will bring credit unions under the prudential supervision of the BOJ and extend deposit insurance to those entities. In addition, we will introduce legislation to define the regulatory rules for financial holding companies and require consolidated supervision of those companies. Finally, to lessen the risks of dollarization of our financial system, we are phasing in higher reserve requirements for foreign currency deposits, based on the results of a cost-benefit analysis.

18. **We have also devised a strategy to increase financial inclusion.** This strategy, which has been approved by Cabinet, covers key areas such as better financing for smaller enterprises and the rural sector as well as expanding access to housing finance and the payments system. We also intend to improve consumer protection and increase financial literacy. A financial inclusion council will be created by March 2017 to oversee the implementation of this strategy.

Policy Matrix for Implementation Underlying the Memorandum of Economic and Financial Policies

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Tax policy				
Property tax	The new rates and bands for property taxes using the 2013 land valuations will be completed and submitted to Cabinet.	Dec-16	Yes	Completed
Financial sector taxes	Streamline and rationalize financial sector taxes, including financial turnover taxes (stamp duty and transfer tax) and the asset tax, while also assessing the appropriateness of the higher corporate income tax rate of the regulated industry.	FY2018/19		
Public sector transformation				
Implementation Unit	Fully staff the core team of the public sector transformation implementation unit, including appointment of its head by December 2016.	Dec-16		Completed
Shared Corporate Services	Corporate back-office functions for Clarendon Alumina Production Limited (CAP) Services, Jamaica Bauxite Mining (JBM) and Jamaica Bauxite Institute (JBI) will be merged and provided by JBI. Corporate functions in CAP and JBM will cease to exist.	Mar-17		Legal, internal audit functions, and recruitment to be merged. Merging of other corporate functions not feasible at this stage.
	Identify positions that will be affected due to the implementation of shared corporate services in human resources and quantify the implications through the development of a costed transition plan and schedule.	May-17	Yes	On track for completion by target date
	Commence implementation of HR shared corporate service arrangements.	Sep-17		
	Identify positions that will be affected due to the implementation of shared corporate services in Public Relations and Communications, and Internal Audit and quantify the implications through the development of a costed transition plan and schedule.	Nov-17	Yes	
Ongoing entities	Complete the divestment of Caymanas Track Limited and the merger of the Cocoa Industry Board, the Coconut Industry Board and the Coffee Industry Board into the Jamaica Agricultural Commodities Regulatory Authority (JACRA).	Mar-17		Caymanas divestment completed; JACRA merger on track for completion by end-March 2017

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Merger	The Agricultural Credit Board and the Department of Cooperatives and Friendly Societies will be merged into the Agricultural Loan Societies and Approved Organizations.	Apr-17		On track for completion by target date subject to parliamentary approval
	Finalize the operational merger of HEART/NTA, Jamaica Foundation for Lifelong Learning, and the National Youth Service.	Oct-17	Yes (new)	
Closure and re-integration	The following entities will be closed: (i) Board of Supervision, (ii) Road Maintenance Fund, (iii) Kingston Waterfront Hotel Company Limited, (iv) Montego Shopping Centre Limited, and (v) Portmore Commercial Development Ltd. In addition, the Children's Registry will be reintegrated into the Child Development Agency.	Oct-17	Yes (new)	
Public bodies				
Arrears control	The total stock of domestic arrears (as defined in the TMU) of the following public bodies will be capped at J\$6.4 billion during the programme period: Clarendon Alumina Production (CAP), National Water Commission (NWC), Jamaica Urban Transit Company (JUTC), Housing Agency of Jamaica (HAJ), Urban Development Corporation (UDC), the National Road Operating and Constructing Company (NROCC), and the National Health Fund (NHF) and monitored on a monthly basis.	Monthly	Yes (new)	
Reporting and monitoring capacity	With support from the IMF, build and roll-out a risk-based approach to identify problematic public entities, together with a monitoring and reporting framework to ensure that the Ministry of Finance has a centralized view of all payments due to external suppliers by the major public bodies who have external counterparts	Dec-17		
Classification	Complete review of the classification of all existing public bodies in a way that is consistent with public financial management rules.	Feb-17		Completed
Earmarked revenues	Submit to parliament all necessary legislative changes to direct all earmarked revenues from the Jamaica Civil Aviation Authority, the Tourism Enhancement Fund, and the CHASE Fund to the consolidated fund.	Jun-15-2017	Yes (new)	

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Re-integration	Submit to Cabinet a time-bound plan to reintegrate eligible public bodies into central government, consistent with the public financial management principles of the policy on public bodies.	Jul-17	Yes (new)	
Public service reform				
Compensation review	Build a comprehensive database—by occupational grouping and that includes all types of allowances paid, their amounts as well as the number of employees receiving each type of allowance in a given fiscal year—across ministries, departments, and agencies to ensure adequate control and oversight over this part of the wage bill. Pilots for the Ministry of Finance and the Public Service, the Ministry of Health (medical professionals), Ministry of Education, Youth, and Information (teaching groups) and the Jamaica Constabulary Force (police groups) are ongoing. The database for all entities in the central government wage bill will be completed by March 2017.	Mar-17	Yes	On track for completion by target date
	Informed by the compensation review results from end-March 2017, submit public sector wage negotiation framework to Cabinet for approval.	Apr-17	Yes	On track for completion by target date
Employee census	Complete an employee verification exercise. Island-wide pilots at the Ministry of Finance and the Public Service, the civilian population of the police department, the NIS, and the non-teaching personnel at the Ministry of Education are ongoing. The verification for all entities in the central government wage bill will be finalized by March 2017.	Mar-17	Yes	On track for completion by target date
	Submit policy options to cabinet for transition plans for employees who are currently outside of approved positions.	Apr-17		On track for completion by target date
Recruitment rules	The creation and application of strict unambiguous rules for the decisions of the Post Operations Committee regarding all types of employment including acting. These rules are to establish a percentage reduction rate which effectively controls the rate of employment and creates a sharp downward trajectory whilst ensuring that the public sector is properly resourced.	Mar-17	Yes	On track for completion by target date
Retirement	Pursue options for early retirement targeting the eligible population.	Mar-17		Proposal submitted to and approved by Cabinet.

Reform area	Measures	Date	Structural Benchmark	Implementation Status
	Institute rules prohibiting the rehiring of participants in the early retirement programme into the public sector for at least 5 years unless the person returns the incentive.	May-17	Yes (new)	
	Submit to the Governor General through Cabinet rules and standards for the Public Service Commission for limiting the approval of continued employment after retirement age, including as contract officers.	May-17	Yes (new)	
	Create a registry of participants in the early retirement programme.	Jun-17		
Performance management policy	Submit to Cabinet a medium-term policy and implementation plan to revise the performance-based merit increases to make them more meaningfully related to the performance management appraisal system.	Sep-17	Yes (new)	
	Submit to Cabinet a proposal to institute clear rules for hiring, promotion and exit.	Sep-17	Yes (new)	
	Conduct consultations on scope for standardizing public sector pay scales across all MDAs.	Jan-18		
HCMES	Complete roll-out of the human resources software (HCMES) for 14 entities.	Dec-18		
Tax Administration				
Staffing	Completion of staffing of the Tax Administration of Jamaica (TAJ) as a Semi-Autonomous Revenue Authority (SARA) at the November 2015 staffing levels. All final offers are expected to be accepted by end-November 2016.	Nov-16		Positions approved as of November 2016 have been staffed. Staffing is ongoing for newly approved positions.
Training	Training for audit managers will begin by November 2016 and is expected to be completed for all 50 audit managers by February 2017.	Feb-17		Training completed by target date for 55 audit managers.
Compliance	Continue to improve the efficiency of the large taxpayers' office by completing in FY17/18: (i) 33 comprehensive audits, (ii) 51 issue audits, and (iii) settling 100% of the 47 objections in current inventory.	Mar-18		

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Audit process	Implement centralized organizational and reporting arrangements for the objections units currently residing in the regional services centres to ensure that objection decisions are carried out by officers outside of the Operations Division.	Mar-17		On track for completion by target date
	Public roll-out of the new independent objection units in the regional service centres and posting of information on the TAJ website.	Apr-17		On track for completion by target date
	Implement centralized organizational and reporting arrangements for the objections unit currently residing in the Large Taxpayers' Office to ensure that objection decisions are carried out by officers outside of the Operations Division.	Sep-17		
Transfer pricing	Develop audit processes and procedures, and a comprehensive work plan to focus on specified sectors/taxpayers/ issues and distributive trade.	Apr-17		On track for completion by target date
Client Services	Begin issuing formal practice notes and private rulings to improve information to the taxpayer.	Apr-17		On track for completion by target date
	Begin developing an integrity framework and conflict of interest guidelines.	Aug-17		
	By April 2017, work will begin on the development of a database of legal opinions and guidance notes to be published on the TAJ website for taxpayers' information by October 2017.	Oct-17		
	Develop (i) a security framework including system access controls, and (ii) discipline and dismissal policies. Roll out a public awareness campaign for (ii).	Nov-17		
Business process	Develop a business process reengineering strategy which includes (i) an as-is analysis of the RAiS environment, (ii) an office footprint and workforce analysis, and (iii) an ICT investment plan.	Aug-17		
	Submit new organizational structure, including headquarters operations and objections unit, for MOFPS approval.	Sep-17		

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Customs Administration				
Capacity	Begin Tax Audit and Revenue Administration training for officers.	Dec-16		Training began by target date and is scheduled to end by January 2018
Post-Clearance Audit	Increase the number of completed Post-Clearance Audits to 60 a year by March 2017, with 25 percent of them identified by risk management system.	Mar-17		On track for completion by target date
	By March 2018, 50 percent of Post Clearance Audits will be identified by a risk management system.	Mar-18		
Trade facilitation	Complete the drafting of legislation to repeal and replace the Customs Act and begin stakeholder consultations by May 2017.	May-17		On track for completion by target date
	Submit a Bill to repeal and replace the Customs Act to Parliament.	Aug-17		
Public Financial Management				
TSA Expansion	Put in place phase 1 of enhancements to Central Treasury Management System (CTMS), expected to be completed by end-December 2016. Begin web enablement of FinMan by January 2017 after all enhancements and job orders for CTMS are completed and signed off.	Jan-17		Completed
	Commence daily sweeps of revenue transit accounts of Principal Receivers of Revenues (PRRs) into the Treasury Single Account (TSA).	Mar-17		On track for completion by target date
	Begin user testing of the web-enabled FinMan.	Oct-17		
	Begin development of the revenue management module (RMM).	Oct-17		
AGD capacity	A new organizational structure for the Accountant General's Department (AGD) was approved by the Ministry of Finance and Public Service in September 2016. Transfer of the responsibility for further development and management of the CTMS from the MoFP to the AGD is ongoing and all positions and responsibilities will be permanently transferred to the AGD by end-November 2016.	Nov-16		Completed

Reform area	Measures	Date	Structural Benchmark	Implementation Status
	A service level agreement between the Bank of Jamaica and the Government for banking services provided by the central bank was signed in August 2016. After the circular is issued by the MOFP, full responsibility for the management of government accounts (except for IFI accounts) will be transferred to the AGD and 95 percent of all dormant and inactive accounts will be closed by December 2016.	Dec-16		Completed
	To enhance capacity in support of its ongoing reform agenda, the AGD will conduct a training needs assessment to identify priorities and develop a medium-term training programme.	Jan-17		Completed
MOFP Staffing	The new organizational structure to enhance macro-fiscal capacity of the Ministry of Finance and the Public Service was approved in August 2016 and the selection process of staff has begun. We expect all offers to be made by end-September 2017.	Sep-17		
Procurement	Begin staffing of the new structure for Procurement and Asset Policy Unit; all customer service positions (5) will be in place by end-April 2017.	Apr-17		On track for completion by target date
	Complete INPRI (International Procurement Institute) training for all 50 procurement officers in ministries.	May-17		Completed
Debt Management				
Capacity	Reduce operational risk by ensuring adequate staffing of the Debt Management Branch (DMB)'s middle office.	Jun-17		On track for completion by target date
	Ensure that core staff at the MOFP's Fiscal Policy Management Branch and the Debt Management Branch are trained in debt sustainability analysis (DSA) and medium-term debt management strategy (MTDS) modelling.	Mar-17		Completed
Market development	In consultation with all relevant stakeholders, prepare and publish a debt market development strategy to identify strategic medium-term priorities, next steps, and responsibilities. The plan should describe the strategy for reducing the high dollarization of government debt.	Mar-17		Completed
	Review and upgrade the primary dealer (PD) system with respect to primary dealer commitments and privileges in GOJ bonds to incentivize market making.	Sep-17		

Reform area	Measures	Date	Structural Benchmark	Implementation Status
	Reintroduce competitive auctions for GOJ bonds to enhance price-transparency and liquidity, and requesting developer's help as needed.	Jun-17		Completed
	To enhance price discovery, gradually increase the share of domestic debt issued via competitive auctions.	Continuous		Ongoing
	To create a more liquid T-bill market, anchor the yield curve and provide an accurate benchmark, expand the issuance of T-bills and pursue dematerialization (i.e. switching from paper-form securities to electronic book-entry) of T-bills.	Jun-17		On track for completion by target date
BOJ/GOJ coordination	To enhance the attractiveness of local currency bonds, revise collateral policy for liquidity provision by amending the BOJ Act to permit a more granular approach to the treatment of GOJ securities. To that end, increase the collateral value of T-bills and BOJ CDs so as to better reflect the risk of underlying assets.	Feb-18		
	Institute more frequent meetings between the MOFP, the BOJ, and the AGD to discuss liquidity conditions around planned issuances and/or redemptions and to develop a comprehensive internal strategy for dealing with major domestic market redemptions. Discuss the impact of these strategies (repayments, rollovers, buybacks, and exchanges) on domestic liquidity and FX conditions.	Continuous		Ongoing
Social Safety Net				
National Identification System (NIDS)	Put in place an initial team of project specialists spanning areas such as (i) procurement, (ii) legal, (iii) business process review, and (iv) information technology (ICT); final job offers will be made by end-November 2016.	Nov-16		Completed
	A Memorandum of Understanding with eGov Jamaica Ltd. will be signed by end-November 2016 in order to secure a core team from eGov in the NIDS project.	Nov-16		Completed
	Establish a Procurement Team including a Procurement Specialist, eGov representatives, ICT Specialist, NIDS Project Manager, NIDS Subject Matter Expert, and Legal Officer.	Dec-16		Completed

Reform area	Measures	Date	Structural Benchmark	Implementation Status
	Develop and publish a full NIDS system requirement, in collaboration with MDAs and stakeholders; publish request for proposal to acquire NIDS.	Apr-17		On track for completion by target date
	A Memorandum of Understanding with Jamaica Post will be signed to facilitate the enrolment of Jamaicans at full services post offices.	May-17		On track for completion by target date
	Put in place the core project organization to drive the implementation of the National Identification System covering the areas of Project Direction and Management, Communications, Financial Management, Procurement Management, Systems Support, Monitoring and Evaluation, Research and Development, Business Processes, and Technical Documentation.	Jul-17		
PATH coverage	Conclude the benefits review for PATH.	Mar-17		Completed
	Increase the funding for the School Feeding Programme in the FY2017/18 budget in order to cover 5 days.	Mar-17		Completed
PATH graduation	Upon cabinet approval of the graduation strategy for PATH households, initiate the evaluation of households' ability to exit the programme and begin delivery of interventions for the first group of families scheduled for graduation from PATH.	June-17		On track for completion by target date. Submitted to Human Resources Committee of Cabinet.
PATH efficiency and effectiveness	Review of impact of PATH benefits on improving school attendance. The review will be conducted by the Ministry of Labour and Social Security and will inform the redesign of the scheme to meet the stated objective of increasing school attendance. A first draft report will be completed by end-June 2017.	June-17		On track for completion by target date
Exchange rate				
FX market	The BOJ, with support from IMF TA, to develop modalities to improve price discovery in the FX market through the introduction of multiple-price FX auctions for BOJ buying from and/or selling to the market. By April 2017, we will draft internal guidelines for the auctions, and develop and implement an outreach campaign to explain to market participants the new modality of buying and selling foreign exchange.	Apr-17		On track for completion by target date
	Implement multiple-price FX auctions for the BOJ buying from and/or selling to the market.	Jun-17		On track for completion by target date

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Monetary Policy				
Liquidity provision and dollarization	Continue to remove the bias in the cash reserve requirement structure that favours foreign currency deposits by gradually equalizing the cash reserve and liquid asset reserve requirements for foreign currency and domestic currency deposits in the banking system; the next step in the equalization will occur November 2016.	Nov-16		Completed
	Conduct cost-benefit analysis on imposing stricter cash reserve and liquid asset reserve requirement on foreign currency liabilities.	Mar-17		Completed
	Guided by IMF TA, the BOJ will improve the effectiveness of its open market operations and liquidity assurance framework by making the overnight interest rate its policy rate by June 2017. This transition has begun with an adjustment of the interest rate on its overnight deposit facility from 0.25 percent to 3 percent in September 2016 and a further narrowing of the interest rate corridor in March 2017.	Jun-17		
BOJ Strength of Balance Sheet	To ensure the strength of the BOJ balance sheet and its capacity to conduct monetary policy with sufficient independence to implement inflation targeting, the BOJ, with the help of IMF TA in June, will conduct an assessment of its operating requirements and related cost structure, capital position and revenue requirements.	Jul-17		On track for completion by target date
	Propose a reform plan constructed in collaboration with the MOFP.	Aug-17		
BOJ Act	Submit to Cabinet a proposal for revising the BOJ Act in line with IMF recommendations.	Aug-17	Yes (new)	
	To enhance the BOJ's governance framework, submit revisions of the BOJ Act to Parliament to—among other things—improve central bank governance and independence, in line with IMF recommendations. These revisions will modernize arrangements for paying dividends, appointments to the BOJ Board, and provisions of central bank financing to the government.	Feb-18	Yes (new, modified)	
International reserves	Steadily phase-out the surrender requirements and borrowed reserves. By end of programme, achieve at least 100 percent of ARA metrics and increase the proportion of non-borrowed reserves in NIR through market-based FX purchases.	Dec-19		

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Financial Sector				
Securities dealers' reforms	The BOJ will continue to monitor market conditions and compliance with the existing limits in foreign investment and assess the readiness to lift the investment cap for CIS and SDs further, from their current level of 25 percent.	Continuous		Ongoing
	The FSC to require all securities dealers to conduct regular stress tests and submit test results.	Dec-16		Completed
	The FSC to require all securities dealers to conduct regular stress tests and submit test results on a semi-annual basis, commencing end-June, 2017. One stress test should be conducted using the dealer's audited financial statements and the other using end-April data. The results will be used as a feedback to risk-based supervision.	Continuous		Ongoing
	With the goal of addressing remaining balance sheet risks in the SD industry, the FSC, in collaboration with the BOJ Financial Stability Unit and in consultation with the IMF, will by end-June 2017 complete a study on the appropriate indicators for a systemically safe level of retail repos, including the retail repo leverage ratio (RRLR). The indicators studied will also include additional capital and/or margin requirements. The goal will be to determine, by end-September 2017, how to implement suitable indicators. In the meantime, the FSC will continue to undertake monthly monitoring of the RRLR.	Sep-17		
	The FSC to complete a study on the appropriate definition and level of the liquidity ratio.	Oct-17		
	The FSC, in collaboration with the BOJ Supervision Department and Financial Stability Unit, will by September 2017 complete a study on the appropriate level of single and group counterparty exposure limits. Following consultation with the industry in October 2017, the guidelines, including the timeline for enforcing intermediate targets will be finalized by end-December 2017.	Dec-17		
	Instituting mechanisms to ensure full compliance with the provisions of the Securities (Retail Repurchase Agreement) Regulations that require "retail repos" to be governed by a MRRA that is signed by both the dealer and the client.	May-17	Yes	On track for completion by target date

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Consolidated supervision	The suite of regulations (which includes capital adequacy requirements for the Financial Holding Companies (FHC), and the form of application) that will comprise the regime for FHC and consolidated supervision will be shared with the industry by end-November 2016; drafting instructions to be prepared by end-April 2017.	Apr-17		November action completed. On track for completion by target date
Coordination	Operationalize Financial System Stability Committee by finalizing the appointment of two external members.	Nov-16	Yes	Completed
Crisis resolution	Issue for public comment a consultation paper for the resolution framework, developed with support from IMF TA, which describes the draft legislation.	Feb-17	Yes	Completed
	Submit to cabinet a proposal for the crisis resolution framework, based on the outcomes of the consultation paper.	Jul-17	Yes (new)	
	Prepare drafting instructions for the CPC, based on the draft legislation, incorporating revisions from public consultation and feedback received on the cabinet proposal.	Oct-17		
	Submit legislation to Parliament.	Jul-18		
Financial inclusion	Establish a financial inclusion council to implement the Cabinet-approved umbrella financial inclusion strategy for the period 2016-20.	Mar-17	Yes	On track for completion by target date
	Table a Micro Credit Act in Parliament.	Dec-17		
	To encourage increased participation of data providers in the credit reporting system, review the Credit Reporting Act and propose amendments, if any, to Cabinet.	Dec-18		
Deposit insurance and investor compensation	Legislation to amend the Cooperative Societies Act will be tabled in Parliament by end-May 2017.	May-17		On track for completion by target date
	We will take steps to further strengthen depositor protection and investor compensation across financial institutions, including also credit union depositors. We will update the Proposal for the Establishment of Compensation Schemes for non-DTIs by March 2018.	Mar-18		

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Economic Growth Council recommendations				
Citizen Security and Public Safety	Submit to Cabinet a plan for the rationalization of police stations, the redeployment of assets into high-crime areas and a more mobile strategy for policing.	Mar-17		3 phase plan in progress. On track for completion by target date
	Complete phased implementation of measures to allow witnesses to record their statements and/or give evidence via video-link in at least 50 locations by October 2017.	Oct-17		
	Improve border security and enhance monitoring of Jamaica's air and maritime space through an initial acquisition of surveillance aircraft and marine patrol vessels leading towards the eventual development of a full Domain Awareness Centre.	Mar-17		On track for completion by target date
	Implement a full legislative review that leads to (i) completion of a draft new Police Service Act to replace the Jamaica Constabulary Force Act, that supports the modernization and transformation of the Jamaica Constabulary Force into a modern intelligence-led police service that ensures Citizen Security, with stronger systems of administration, management and internal discipline, (ii) tabling in Parliament of legislation to establish the Major Organized Crime and Anti-Corruption Agency as an independent national law enforcement agency focused on terrorism, major organized crime and serious corruption, (iii) tabling in Parliament of legislation to merge the Corruption Prevention Commission, the Integrity Commission and the Office of the Contractor General into a more empowered single Anti-Corruption Agency with the necessary independence and resources to carry out its functions.	Oct-17		

Reform area	Measures	Date	Structural Benchmark	Implementation Status
	Subject to the ruling of the Constitutional Court, extend Proceeds of Crime legislation to include all FATF designated non-financial businesses and professions, including lawyers (consistent with attorney-client privileges), by way of ministerial order subject to affirmative resolution, or other legislative means, to assist in the detection, investigation and prosecution of the laundering of proceeds of crime, including corruption.	Oct-17		
	Submit to Cabinet a proposal for a comprehensive information system for the JCF, including acquisition of the necessary infrastructure that facilitates live feeds from CCTV to area-based control rooms to allow real-time operations control, accompanied by the implementation of proper electronic crime and incident-recording procedures feeding into real-time data analytics to support both strategic management and operations control.	Oct-17		
	Submit to Cabinet a comprehensive plan for normalizing and reintegrating informal settlements, 'garrisons' and high-crime communities, creating safe civic spaces and decent, law-abiding neighbourhoods.	Oct-17		
Access to finance	Finalize Terms of Reference for Banking Competition Review.	Dec-16		Completed.
	Expand the size of the partial credit guarantee programme at the Development Bank of Jamaica.	Mar-17		Completed
	Commence phased reviews of banking, insurance and pensions regulations that impact access to finance by March 2017. Table in Parliament by June 2017 amendments to the Investment Regulations to allow pension funds to invest in a wider range of products.	Jun-17		On track for completion by target date
Business climate and red-tape	Begin regulatory review of licensing, permitting and regulatory processes in fisheries, veterinary, agricultural, pharmaceutical, health and quality control divisions of government aimed at boosting efficiency and business competitiveness.	Mar-17		On track for completion by target date

Reform area	Measures	Date	Structural Benchmark	Implementation Status
	Complete the Public Procurement Regulations and the Handbook of Public Sector Procurement Procedures.	May-17		On track for completion by target date
	Undertake improvements to the Development Approval Process inclusive of (i) hiring of consultant to complete Phase 1 (updating of geospatial datasets and background papers) of the National Spatial Plan by November 2017, (ii) tabling in parliament of the Building Act by March 2017, and (iii) completion of the Development Orders for all parishes by December 2017.	Dec-17		Building Act tabled in Parliament December 2016.
	Implement electronic submission of development approval applications and mandatory use of AMANDA system for development approvals: (i) Table amendments to the Town and Country Planning Act and Local Improvements Act and regulations in Parliament by May 2017; (ii) Commence pilot of Public Portal Module II in 3 Local Authorities by December 2017; (iii) Complete upgrade of infrastructure of eight Local Authorities (LAs) by December 2017.	Dec-17		
Asset utilization	Create framework for public debt reduction through a programme of privatizations and asset sales.	May-17		
	Submit to cabinet plan to divest up to 20% of assets held by the UDC and Factories Corporation of Jamaica.	May-17		On track for completion by target date
	Improve the scalability and efficiency of the privatization, asset sale and public-private-partnership processes by: (i) DBJ making provision in Corporate Plan for additional number of Account Executives at the DBJ who handle such transactions, (ii) commencing the process to procure or identify dedicated staff at the AG's chambers and the Ministry of Finance who are exclusively focused on these transactions, (iii) the DBJ providing a protocol for the establishment of permanently staffed Enterprise Team that handle multiple such transactions by April 2017, and (iv) submit to cabinet the protocol and framework for the outsourcing of privatizations to for-profit firms by May 2017.	May-17		

Reform area	Measures	Date	Structural Benchmark	Implementation Status
Diaspora involvement	Prepare draft proposal on institutional framework for promoting, coordinating and organizing economic and social investments by the Diaspora.	Mar-17		On track for completion by target date
	Begin feasibility study of the creation of a Global Jamaican Immigration Card for issuance to members of the Diaspora.	May-17		On track for completion by target date

Table 1. Jamaica: Schedule of Reviews and Purchases

Available on or after	Amount of Purchase		Conditions 1/
	SDR millions	% Quota	
November 11, 2016	300.1	78	Approval of Arrangement
March 15, 2017	126.0	33	First Review and end-December 2016 performance criteria
September 15, 2017	126.0	33	Second Review and end-June 2017 performance criteria
March 15, 2018	160.8	42	Third Review and end-December 2017 performance criteria
September 15, 2018	160.8	42	Fourth Review and end-June 2018 performance criteria
March 15, 2019	160.8	42	Fifth Review and end-December 2018 performance criteria
September 15, 2019	160.8	42	Sixth Review and end-June 2019 performance criteria
Total	1195.3	312	

1/ Apart from periodic performance criteria, conditions also include continuous performance criteria.

Table 2. Jamaica: Quantitative Performance Criteria 1/2/
(In billions of Jamaican dollars unless otherwise stated)

	2016			2017					2018
	Performance Criteria	Adjusted PC	Actual	Indicative Target	Performance Criteria	Proposed Revised Performance Criteria	Indicative Target	Proposed Performance Criteria	Indicative Target
		End-Dec		end-Mar	end-June	end-June	end-Sep	end-Dec	end-Mar
Fiscal targets									
<i>Performance Criteria</i>									
1. Primary balance of the central government (floor) 3/	54.0		76.6	123.0	13.4	15.0	37.0	59.0	130.5
2. Overall balance of the public sector (floor) 3/	-51.5	-47.7	10.7	-17.2	-41.4	-39.2	-46.9	-59.3	-14.8
3. Net increase in the central government guaranteed debt (ceiling) 3/	0.0		-4.1	0.0	0.0	0.0	0.0	0.0	0.0
4. Central government accumulation of domestic arrears (ceiling) 4/ 10/	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Central government accumulation of tax refund arrears (ceiling) 5/ 10/	0.0		-4.4	0.0	0.0	0.0	0.0	0.0	0.0
6. Accumulation of external debt payment arrears (ceiling) 4/ 9/	0.0		0.3	0.0	0.0	0.0	0.0	0.0	0.0
<i>Indicative targets</i>									
7. Tax revenues of the central government (floor) 3/	300.0		322.1	440.0	100.0	100.0	215.0	328.0	473.0
8. Change in the stock of public bodies non-guaranteed debt (ceiling) 11/	-1.0	2.8	-1.3	3.3	7.6	2.5	2.0	3.5	11.5
9. Central government spending on social programs (floor) 3/ 7/	16.4		23.2	24.3	5.0	6.1	11.2	18.3	26.6
10. Total loan value of all user funded PPPs (ceiling, percent of GDP)	3.0		0.4	3.0	3.0	3.0	3.0	3.0	3.0
Monetary targets									
11. Stock of non-borrowed net international reserves (floor) 6/ 8/	1,428	1,419	1,671	1,475	1,521	1,521	1,637	1,777	1,917
<i>12. Monetary policy consultation clause (in percent)</i>									
Upper band	9.0			9.0	9.0	9.0	9.0	9.0	8.0
Center inflation target	5.5		1.7	5.5	5.5	5.5	5.5	5.5	5.5
Lower band	1.0			2.0	2.0	2.0	2.0	2.0	3.0
<p>1/ Targets as defined in the Technical Memorandum of Understanding (TMU). 2/ Based on program exchange rates defined in the TMU. 3/ Cumulative flows from April 1 through March 31. 4/ Includes debt payments, supplies and other committed spending as per contractual obligations; full definition in TMU. 5/ Includes tax refund arrears as stipulated by law. 6/ In millions of U.S. dollars. 7/ Defined as a minimum annual expenditure on specified social protection initiatives and programmes (defined in TMU). 8/ Stock of BOJ NIR minus all foreign currency CDs to domestic residents; full definition in TMU. 9/ Continuous performance criterion. 10/ The accumulation is measured against the stock at end-March 2016, which is J\$21.0 billion for domestic arrears and J\$17.3 billion for tax arrears. 11/ For end-Dec 2016 and end-Mar 2017, these are cumulative flows from October 1, 2016. For subsequent dates, these are cumulative flows from April 1, 2017.</p>									

Table 3. Jamaica: Structural Program Conditionality

Structural Benchmarks	Timing	Implementation status
Fiscal Reforms		
1 The new rates and bands for property taxes using the 2013 land valuations will be completed and submitted to Cabinet.	December 31, 2016	Met
Monetary policy and financial sector		
2 Operationalize Financial System Stability Committee by finalizing the appointment of two external members.	November 30, 2016	Met
3 Issue for public comment a consultation paper for the resolution framework, developed with support from IMF TA, which describes the draft legislation.	February 28, 2017	Met
4 Establish a financial inclusion council to implement the Cabinet-approved umbrella financial inclusion strategy for the period 2016-20.	March 31, 2017	
5 Instituting mechanisms to ensure full compliance with the provisions of the Securities (Retail Repurchase Agreement) Regulations that require "retail repos" to be governed by a MRRA that is signed by both the dealer and the client.	May 30, 2017	
6 Submit to cabinet a proposal for the crisis resolution framework, based on the outcomes of the consultation paper	July 31, 2017	Proposed
7 Submit to Cabinet a proposal for revising the BoJ Act in line with IMF recommendations.	August 31, 2017	Proposed
8 To enhance the BoJ's governance framework, submit revisions of the BOJ Act to Parliament to - among other things - improve central bank governance and independence, in line with IMF recommendations. The revisions will modernize arrangements for paying dividends, appointments to the BOJ Board, and provisions of central bank financing to the government.	February 28, 2018	Proposed modification
Public Sector Transformation		
9 Build a comprehensive database—by occupational grouping and that includes all types of allowances paid, their amounts as well as the number of employees receiving each type of allowance in a given fiscal year—across ministries, departments, and agencies to ensure adequate control and oversight over this part of the wage bill. Pilots for the Ministry of Finance and the Public Service, the Ministry of Health (medical professionals), Ministry of Education, Youth, and Information (teaching groups) and the Jamaica Constabulary Force (police groups) are ongoing. The database for all entities in the central government wage bill will be completed by March 2017	March 31, 2017	
10 Complete an employee verification exercise. Island-wide pilots at the Ministry of Finance and the Public Service, the civilian population of the police department, the NIS, and the non-teaching personnel at the Ministry of Education are ongoing. The verification for all entities in the central government wage bill will be finalized by March 2017.	March 31, 2017	
11 The creation and application of strict unambiguous rules for the decisions of the Post Operations Committee regarding all types of employment including acting. These rules are to establish a percentage reduction rate which effectively controls the rate of employment and creates a sharp downward trajectory whilst ensuring that the public sector is properly resourced.	March 31, 2017	
12 Informed by the compensation review results from end-March 2017, submit public sector wage negotiation framework to Cabinet for approval.	April 30, 2017	
13 Identify positions that will be affected due to the implementation of shared corporate services in human resources and quantify the implications through the development of a costed transition plan and schedule.	May 30, 2017	
14 Institute rules prohibiting the rehiring of participants in the early retirement program into the public sector for at least 5 years unless the person returns the incentive.	May 30, 2017	Proposed
15 Submit to the Governor General through Cabinet rules and standards for the Public Service Commission for limiting the approval of continued employment after retirement age, including as contract officers.	May 30, 2017	Proposed
16 Submit to parliament all necessary legislative changes to direct all earmarked revenues from the Jamaica Civil Aviation Authority, the Tourism Enhancement Fund, and the CHASE Fund to the consolidated fund.	June 15, 2017	Proposed
17 Submit to Cabinet a time-bound plan to reintegrate eligible public bodies into central government, consistent with the public financial management principles of the policy on public bodies.	July 31, 2017	Proposed
18 Submit to Cabinet a medium-term policy and implementation plan to revise the performance-based merit increases to make them more meaningfully related to the performance management appraisal system	September 30, 2017	Proposed
19 Submit to Cabinet a proposal to institute clear rules for hiring, promotion and exit.	September 30, 2017	Proposed
20 The following entities will be closed: (i) Board of Supervision, (ii) Road Maintenance Fund, (iii) Kingston Waterfront Hotel Company Limited, (iv) Montego Shopping Centre Limited, and (v) Portmore Commercial Development Ltd. In addition, the Children's Registry will be reintegrated into the Child Development Agency.	October 31, 2017	Proposed
21 Finalize the operational merger of HEART/NTA, Jamaica Foundation for Lifelong Learning, and the National Youth Service.	October 31, 2017	Proposed
22 Identify positions that will be affected due to the implementation of shared corporate services in Public Relations and Communications, and Internal Audit and quantify the implications through the development of a costed transition plan and schedule.	November 30, 2017	
23 The total stock of domestic arrears (as defined in the TMU) of the following public bodies will be capped at J\$6.4 billion during the program period: Clarendon Alumina Production (CAP), National Water Commission (NWC), Jamaica Urban Transit Company (JUTC), Housing Agency of Jamaica (HAJ), Urban Development Corporation (UDC), the National Road Operating and Constructing Company (NROCC), and the National Health Fund (NHF) and monitored on a monthly basis.	Monthly	Proposed

Attachment II. Technical Memorandum of Understanding

1. This Technical Memorandum of Understanding (TMU) sets out the understandings between the Jamaican authorities and the IMF regarding the definitions of quantitative performance criteria and indicative targets for the programme supported by the Stand-By Arrangement (SBA) treated as precautionary. It also describes the methods to be used in assessing the programme performance and the information requirements to ensure adequate monitoring of the targets.

2. For programme purposes, all foreign currency-related assets, liabilities and flows will be evaluated at “programme exchange rates” as defined below, with the exception of items affecting government fiscal balances, which will be measured at current exchange rates. The programme exchange rates are those that prevailed on August 31, 2016. Accordingly, the exchange rates for the purposes of the programme are show in Table 1.

Jamaican dollar to the US dollar	127.57
Jamaican dollar to the SDR	178.07
Jamaican dollar to the Euro	144.50
Jamaican dollar to the Canadian dollar	98.73
Jamaican dollar to the British pound	167.23
1/ Average daily selling rates at the end of August 2016	

I. QUANTITATIVE PERFORMANCE CRITERIA: DEFINITION OF VARIABLES

3. **Definitions:** The central government for the purposes of the programme consists of the set of institutions currently covered under the state budget. The central government includes public bodies that are financed through the Consolidated Fund.

4. The fiscal year starts on April 1 in each calendar year and ends on March 31 of the following year.

A. Cumulative Floor of the Central Government Primary Balance

5. **Definitions:** The primary balance of the central government is defined as total revenues minus primary expenditure and covers non-interest government activities as specified in the budget.

6. Revenues are recorded when the funds are transferred to a government revenue account. Revenues will also include grants. Capital revenues will not include any revenues from asset sales proceeding from divestment operations. Central government primary expenditure is recorded on a cash basis and includes compensation payments, other recurrent expenditures and capital spending. Government-funded PPPs will be treated as traditional public procurements. Primary expenditure also includes transfers to other public bodies which are not self-financed. Costs associated with divestment operations or liquidation of public entities, such as cancellation of existing contracts or severance payments to workers, will be allocated to current and capital expenditures accordingly.

7. All primary expenditures directly settled with bonds or any other form of non-cash liability will be recorded as spending above-the-line, financed with debt issuance and will therefore affect the primary balance.
8. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.
9. **Adjuster for loan to Clarendon Alumina Production (CAP):** The floor of the central government primary balance (cumulative since the beginning of the fiscal year) will be adjusted upwards by an amount equivalent to the total shortfall of principal and interest repayments due (relative to table 2), converted at programme exchange rates.

Table 2. CAP repayment schedule	
Cumulative repayment flows to central government from beginning of each fiscal year (US\$ millions)	
end-June 2017	0.00
end-December 2017	7.96
end-June 2018	7.46
end-December 2018	14.68
end-June 2019	6.99

B. Cumulative Floor on Overall Balance of the Public Sector

10. The public sector refers to the “Specified Public Sector” (SPS) as defined under the Fiscal Responsibility Law (FRL). In particular, it consists of the central government and self-financed public bodies that are not deemed “commercial” by the Office of the Auditor General (OAG), based on the set of legislated criteria. It excludes the Bank of Jamaica (BOJ).
11. The TMU will be updated when the formal assessment by the OAG of the commercial nature of public bodies is completed by April 1, 2020. Until completion of this OAG assessment and for the purposes of the SBA, the SPS will consist of the central government and the public bodies listed below.
12. For the purposes of the SBA, public bodies will consist of the following self-financed public bodies: AEROTEL; Airports Authority of Jamaica; Betting, Gaming and Lotteries Commission; Broadcasting Commission; Bureau of Standards; CHASE; Clarendon Alumina Production Limited; Cocoa Industry Board; Coconut Industry Board; Coffee Industry Board; Development Bank of Jamaica Limited; Factories Corporation of Jamaica; Financial Services Commission; Firearm Licensing Authority; Harmonisation Limited; HEART Trust-NTA; Housing Agency of Jamaica Limited; Jamaica Bauxite Institute; Jamaica Bauxite Mining; Jamaica Civil Aviation Authority; Jamaica Deposit Insurance Corp.; Jamaica International Freezone Limited; Jamaica Mortgage Bank; Jamaica National Accreditation Agency; Jamaica Racing Commission; Jamaica Railway Corporation; Jamaica Ultimate Tyre Company Limited; Jamaica Urban Transport Company Limited; Kingston Free Zone Limited; Micro Investment Development Agency; Montego Bay Free Zone; Montego Bay Metro Limited; National Export Import Bank of Jamaica - EX-IM Bank; National Health Fund; National Housing Trust;

National Insurance Fund; National Water Commission; National Road Operating and Constructing; Ocho Rios Commercial Centre Limited; Office of Utilities Regulation; Overseas Examination Commission; PetroCaribe Development Fund (PCDF); PetroJam Ethanol Limited; Petrojam Limited; Petroleum Corporation of Jamaica; Port Authority Management Service Limited; Port Authority of Jamaica; Ports Management and Security Limited; Ports Security Corps Limited; Postal Corporation of Jamaica; Public Accountancy Board; Road Maintenance Fund; Runaway Bay Water Company Limited; SCJ Holdings Limited; Self Start Fund; Spectrum Management Authority; Sports Development Foundation; St Ann Development Company Limited; Student Loan Bureau; Sugar Industry Authority; Tourism Enhancement Fund; Transport Authority; Universal Service Fund; Urban Development Corporation; Wigton Windfarms Limited.

13. The overall balance of public bodies will be calculated from the Statement A's provided by the Public Enterprises Division of the Ministry of Finance and the Public Service (MoFPS) for each of the public bodies as defined above. The definition of overall balance used is operational balance, plus capital account net of revenues (investment returns, minus capital expenditure, plus change in inventories), minus dividends and corporate taxes transferred to government, plus net other transfers from government. For the particular case of the National Housing Trust and the Housing Agency of Jamaica, capital account revenues will not be netted out since they do not refer to flows arising from asset sales but rather to contribution revenue and therefore will be included among recurrent revenue such as is done for pension funds. The definition of the group of self-financed public bodies will be adjusted as the process of public bodies' rationalization, including divestments and mergers, advances. However, this process will not affect the performance criterion, beyond the aforementioned adjustment, unless specifically stated. All newly created entities, including from the merging of existing entities, will be incorporated into this group of public bodies.

14. The overall balance of the public sector is calculated as the sum of central government overall balance and the overall balance of the public bodies listed above.

15. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.

16. **Adjuster:** The floor for the overall public sector balance (cumulative since the beginning of the fiscal year) will be adjusted downward (upward) by an amount equivalent to the shortfall (excess) of PetroJam's overall balance (relative to baseline projections in Table 3), with the value of the adjustment at the end of any quarter capped at US\$35 million, converted at the programme exchange rates.

Table 3. Overall Balance of Petrojam (Baseline Projection)	
In billions of J\$	
End-March 2017	-1.0
End-June 2017	-2.4
End-September 2017	-3.9
End-December 2017	0.2

C. Ceiling on Net Increase in Central Government Guaranteed Debt

17. **Definitions:** Net increase in central government guaranteed debt is calculated as issuance minus repayments of central government guaranteed debt, in billions of Jamaican dollars, including domestic and external bonds, loans and all other types of debt. Foreign currency debt will be converted to Jamaican dollars at the programme exchange rate. Central government guaranteed debt does not cover loans to public entities from the PetroCaribe Development Fund because of consolidation.

18. **Adjuster:** In the case where the central government debt guarantees are called, the stock of central government guaranteed debt will be adjusted downwards in order to preserve the performance criteria.

D. Ceiling on Central Government Accumulation of Domestic Arrears

19. **Definition:** Domestic arrears are defined as payments to residents determined by contractual obligations that remain unpaid 90 days after the due date. Under this definition, the due date refers to the date in which domestic debt payments are due according to the relevant contractual agreement, taking into account any contractual grace periods. Central government domestic arrears include arrears on domestic central government direct debt, including to suppliers and all recurrent and capital expenditure commitments. This accumulation is measured as the change in the stock of domestic arrears relative to the stock at end-March 2016, which stood at J\$21.0 billion.

20. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.

E. Non-Accumulation of External Debt Payments Arrears

21. **Definition of debt:** External debt is determined according to the residency criterion. The term "debt"¹ will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms; the primary ones being as follows:

- i. Loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the

¹ As defined in Guidelines on Public Debt Conditionality in Fund Arrangements, Decision No. 15688-(14/107).

funds and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

ii. Suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

iii. Leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property. For the purpose of the programme, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair or maintenance of the property.

22. **Definition of external arrears:** External debt payment arrears for programme monitoring purposes are defined as external debt obligations (principal and interest) falling due after March 31, 2017 that have not been paid within 30 days after falling due, taking into account the grace periods specified in contractual agreements. Under the definition of debt set out above, arrears, penalties and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

23. **Coverage:** This performance criterion covers central government and the following 6 public bodies, which are a subset of the self-financed public bodies defined in Section B: Airports Authority of Jamaica, Jamaica Ultimate Tyre Company, National Health Fund, Petrojam Limited, Petrojam Ethanol Limited, Port Authority of Jamaica. This performance criterion does not cover (i) arrears on trade credits and (ii) arrears resulting from nonpayment of debt service for which a clearance framework has been agreed or rescheduling agreement is being sought.

24. **Monitoring:** This performance criterion applies on a continuous basis.

F. Ceiling on Central Government Accumulation of Tax Refund Arrears

25. **Definition:** Tax refund arrears are defined as obligations on tax refunds in accordance with tax legislation that remain unpaid 90 days after the due date. This accumulation is measured as the change in the stock of tax refund arrears relative to the stock at end-March 2016, which stood at J\$17.3 billion.

26. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.

G. Floor on the Stock of Non-Borrowed Net International Reserves

27. **Definitions:** Net international reserves (NIR) of the BOJ (NIR-BOJ) are defined as the U.S. dollar value of gross foreign assets of the BOJ minus gross foreign liabilities. Non-borrowed NIR is

defined as NIR-BOJ minus all foreign currency liabilities issued by the BOJ and held by residents. Non-U.S. dollar denominated foreign assets and liabilities will be converted into U.S. dollar at the programme exchange rates.

28. **Gross foreign assets** are defined consistently with the Sixth Edition of the Balance of Payments Manual and International Investment Position Manual (BPM6) as readily available claims on nonresidents denominated in foreign convertible currencies. They include the BOJ's holdings of monetary gold, SDR holdings, foreign currency cash, foreign currency securities, liquid balances abroad and the country's reserve position at the Fund. Excluded from reserve assets are any assets that are pledged, collateralized or otherwise encumbered, claims on residents, claims in foreign exchange arising from derivatives in foreign currency vis-à-vis domestic currency (such as futures, forwards, swaps and options), precious metals other than gold, assets in nonconvertible currencies and illiquid assets.

29. **Gross foreign liabilities** of the BOJ are defined consistently with the definition of NIR for programme purposes and include all foreign exchange liabilities to nonresidents (thus excluding all foreign exchange liabilities to residents), including commitments to sell foreign exchange arising from derivatives (such as futures, forwards, swaps and options) and all credit outstanding from the Fund but excluding credit transferred by the Fund into a Treasury account to meet the government's financing needs directly. In deriving NIR, credit outstanding from the Fund is subtracted from foreign assets of the BOJ. GOJ foreign liabilities are excluded from gross foreign liabilities of the BOJ.

30. **Reporting:** Data will be provided by the BOJ to the Fund with a lag of no more than ten days past the test date.

31. **Adjusters:** The non-borrowed NIR targets will be adjusted upward (downward) by the surplus (shortfall) in programme loan disbursements from multilateral institutions (the IBRD, IDB and CDB) and commercial loans guaranteed by multilateral sources, relative to the baseline projection reported in Table 4. Programme loan disbursements are defined as external loan disbursements (excluding project financing disbursements) from official creditors that are usable for the financing of the consolidated government. The non-borrowed NIR targets will be adjusted upward (downward) by the surplus (shortfall) in disbursements of budget support grants relative to the baseline projection reported in Table 4.

Table 4. External Program Disbursements (Baseline Projection)	
Cumulative flows from end-March 2016	(In millions of US\$)
External loans from multilateral sources	
End-December 2016	182
End-March 2017	182
End-June 2017	182
End-September 2017	252
End-December 2017	252
End-March 2018	252
Budget support grants	
End-December 2016	10.8
End-March 2017	10.8
End-June 2017	10.8
End-September 2017	10.8
End-December 2017	10.8
End-March 2018	10.8
Commercial loans guaranteed by multilateral sources	
End-December 2016	0.0
End-March 2017	0.0
End-June 2017	0.0
End-September 2017	0.0
End-December 2017	0.0
End-March 2018	0.0

H. Performance Criterion on the Introduction or Modification of Multiple Currency Practices

32. The performance criterion on the introduction or modification of multiple currency practices (MCP) will exclude the introduction or modification in 2017 of a multiple-price foreign exchange auction system, developed in line with Fund staff advice, that may give rise to a MCP.

II. QUANTITATIVE INDICATIVE TARGETS: DEFINITION OF VARIABLES

A. Cumulative Floor on Central Government Tax Revenues

33. **Definition:** Tax revenues refer to revenues from tax collection. It excludes all revenues from asset sales, grants, bauxite levy and non-tax revenues. To gauge the impact of the tax policy reforms and improvements in tax administration, the programme will have a floor on central government tax

revenues (indicative target). The revenue target is calculated as the cumulative flow from the beginning to the end of the fiscal year (April 1 to March 31).

34. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.

B. Ceiling on the Change in the Stock of Public Bodies' Non-Guaranteed Debt

35. **Definitions:** The non-guaranteed debt of public bodies includes all consolidated domestic and external bonds and other forms of debt by all self-financed public bodies (as defined in I.B.) that is not guaranteed by the central government or any other public entity. The target will be set in Jamaican dollars with foreign currency debt converted using the programme exchange rate. The change in the stock of non-guaranteed debt will be measured "below the line" as debt issuance minus repayments on all non-guaranteed debt by public bodies.

36. For the purposes of computing the non-guaranteed debt target, debt issues are to be recorded at the moment the funds are credited to the account of the corresponding public body. The stock of public bodies' non-guaranteed debt will be measured net of cross-holdings of such debt between the public bodies.

37. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.

38. **Adjuster:** The target will be adjusted downwards if the government assumes part of previously non-guaranteed debt or if an entity with non-guaranteed debt is subsequently divested/privatized.

39. **Adjuster:** The target will also be adjusted upward (downward) by an amount equivalent to the shortfall (excess) of PetroJam's overall balance (relative to baseline projections in Table 3), with the value of the adjustment at the end of any quarter capped at US\$35 million, converted at the programme exchange rates.

C. Floor on Central Government Spending on Social Programmes

40. **Definition:** Social spending is computed as the sum of central government spending on social protection programmes as articulated in the central government budget for a particular fiscal year. Social programmes comprise conditional cash transfers to children 0–18 years and the elderly; youth employment programmes; the poor relief programme for both indoor and outdoor poor; the school feeding programme; and the basic school subsidy.

41. **In particular, this target comprises spending on specific capital and recurrent programmes.** On capital expenditure the following specific programmes must be included in the target:

- *Youth employment programmes* comprising on the job training, summer employment and employment internship programme.
- *Conditional cash transfers* comprising children health grant, children education grants, tertiary level, pregnant and lactation grants, disabled adult grants, adult under 65 grants and adults over 65 grants.
- *Poor relief programme.*

42. **On recurrent expenditure, the following specific programmes must be included in the floor on social and security expenditure:**

- School feeding programmes including operating costs;
- Poor relief (both indoor and outdoor) including operating costs;
- Golden Age Homes;
- Children's home, places of safety and foster care including operating cost;
- Career Advancement Programme; and
- National Youth Service Programme.

43. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.

D. Ceiling on User-Funded PPPs

44. **Definition:** User-funded PPPs are defined as concessions in which users are expected to be the main source of revenue. For the purpose of this condition, the loan value of a PPP may be excluded if the Office of the Auditor General has established that the PPP involves only minimal contingent liabilities (by demonstrating that the project has no debt guarantee, demand or price guarantees or termination clauses that could imply a transfer of liabilities to the government).

45. For the purpose of this condition, the applicable GDP is the projected nominal GDP for the ongoing fiscal year published in the Fiscal Policy Paper tabled in parliament ahead of the adoption of the budget. For FY16/17, the projected nominal GDP used as a reference is J\$1,726 billion. For FY2017/18, the projected nominal GDP used as a reference is J\$1,883 billion, as presented in Table 2H, part 2, Macroeconomic Framework.

46. **Reporting:** Data will be provided to the Fund with a lag of no more than six weeks after the test date.

III. MONETARY POLICY CONSULTATION CLAUSE

A. Monetary Policy Consultation Clause

47. **Definitions.** Inflation is defined as the change over 12 months of the end-of-period headline consumer price index, as measured and published by the Statistical Institute of Jamaica (STATIN).

48. **Reporting.** Data will be provided to the Fund with a lag of no more than six weeks after the test date. Data from the last test date will be used until new data is submitted.

49. Breaching the inflation consultation band limits (as specified in the TMU, Table 5) at the end of each June/December test dates would trigger a consultation with the IMF's Executive Board on the reasons for the deviation and the proposed policy response before further purchases could be requested under the SBA. Specifically, the consultation will explain (i) the stance of monetary policy and whether the Fund-supported programme remains on track;(ii) the reasons for deviations from the specified band, taking into account compensating factors; and (iii) on proposed remedial actions, as deemed necessary.

	2016		2017			2018	
	Actual		Band				
	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
Upper band			9.0	9.0	9.0	9.0	8.0
Actual/Center point	1.9	1.7	5.5	5.5	5.5	5.5	5.5
Lower band			2.0	2.0	2.0	2.0	3.0

IV. CONDITIONALITY ON PUBLIC BODIES' DOMESTIC ARREARS

50. **Under the structural benchmark on public bodies' arrears,** the total combined stock of **domestic** arrears of the following public bodies will be capped at J\$6.4 billion during the programme period: Clarendon Alumina Production (CAP), National Water Commission (NWC), Jamaica Urban Transit Company (JUTC), Housing Agency of Jamaica (HAJ), Urban Development Corporation (UDC), the National Road Operating and Constructing Company (NROCC), and the National Health Fund (NHF). The domestic arrears will be monitored on a monthly basis.

51. **Definition:** Domestic arrears are defined as payments to residents determined by contractual obligations that remain unpaid 90 days after the due date. Under this definition, the due date refers to the date on which domestic debt payments are due according to the relevant contractual agreement, taking into account any contractual grace periods. Public bodies' domestic arrears include arrears on suppliers' credits.

52. **For the purposes of this condition,** arrears on taxes due to the central government, including on PAYE and education tax, are excluded.

V. INFORMATION REQUIREMENTS

53. To ensure adequate monitoring of economic variables and reforms, the authorities will provide the following information:

A. Daily

- Net international reserves; nominal exchange rates; interest rates on BOJ repurchase agreements; total currency issued by the BOJ, deposits held by financial institutions at the BOJ; outstanding stock of foreign currency CDs to residents by maturity; required and excess reserves of the banking sector in local and foreign currency, total liquidity assistance to banks through normal BOJ operations, including overdrafts; overnight interest rates; GOJ bond yields.
- Disbursements from the Financial System Support Fund, by institutions.
- Aggregate liquidity assistance to institutions from the BOJ.
- Bank of Jamaica purchases and sales of foreign currency, by transaction type (surrenders, public sector entities facility and outright purchases or sales including interventions).
- Amounts offered, demanded and placed in Bank of Jamaica open market operations, including rates on offer for each tenor and amounts maturing for each tenor.
- Amounts offered, demanded and placed in government of Jamaica auctions and primary issues; including minimum, maximum and average bid rates.
- Daily foreign currency government of Jamaica debt payments (domestic and external).

B. Weekly

- Balance sheets of the core securities dealers (covering at least 70 percent of the market), including indicators of liquidity (net rollovers and rollover rate for repos and a 10-day maturity gap analysis), capital positions, details on sources of funding, including from external borrowing on margin and clarity on the status of loans (secured vs. unsecured). Weekly reports will be submitted within 10 days of the end of the period. Deposits in the banking system and total currency in circulation.

C. Monthly

- Central government operations including monthly cash flow from the beginning to the end of the current fiscal year (and backward revisions as necessary), with a lag of no more than six weeks after the closing of each month.
- Public entities' Statement A: consolidated and by institution for the self-financed public bodies defined in I.B with a lag of no more than six weeks after the closing of each month.
- Central government debt amortization and repayments (J\$-denominated and US\$-denominated bonds, treasury bills, Eurobonds, domestic loans, external commercial and external official loans).

Includes government direct, government guaranteed and total. In the case of issuance of government guaranteed debt, include the name of the guaranteed individual/institution. The reporting lag should not exceed six weeks after the closing of each month.

- Amortization and repayments of public bodies' non-guaranteed debt for each of the Selected Public Bodies listed in I.B
- Balances of the Consolidated Fund and main revenue accounts needed to determine the cash position of the government.
- Stock of central government domestic debt and domestic expenditure arrears.
- Stock of central government tax refund arrears.
- Central government spending on social protection as defined for the indicative target on social spending.
- Central government debt stock by currency, as at end month, including by (i) creditor (official, commercial domestic, commercial external; (ii) instrument (J\$-denominated and US\$-denominated bonds, treasury bills, Eurobonds, domestic loans, external commercial and external official loans); (iii) direct and guaranteed. The reporting lag should not exceed six weeks after the closing of each month.
- The maturity structure of Government debt (domestic and external). The reporting lag should not exceed six weeks after the closing of each month. Legal measures that affect the revenue of the central government (tax rates, import tariffs, exemptions, etc.).
- Balance sheet of the Bank of Jamaica within three weeks of month end.
- Liquidity assistance to institutions from the BOJ by institution.
- A summary of monetary accounts providing detailed information on the accounts of the Bank of Jamaica, commercial banks and the overall banking system. Including Bank of Jamaica outstanding open market operations by currency and maturity and a detailed decomposition on Bank of Jamaica and commercial bank net claims on the central government, and self-financed public bodies.² This information should be received with a lag of no more than six weeks after the closing of each month.
- Profits of the Bank of Jamaica on a cash and accrual basis, including a detailed decomposition of cash profits and profits from foreign exchange operations with a lag of no more than three weeks from month end.
- Deposits in the banking system: current accounts, savings and time deposits within six weeks after month end. Average monthly interest rates on loans and deposits within two weeks of month end; weighted average deposit and loan rates within six weeks after month end.
- Financial statements of core securities dealers and insurance companies within six weeks of month end.

² Selected public bodies and other public bodies are defined as outlined in Section IV (B).

- The maturity profile of assets and liabilities of core securities dealers in buckets within six weeks of month end.
- Data on reserve liabilities items for NIR target purposes (Table 9) within three weeks after month end.
- A full set of monthly FSIs regularly calculated by the BOJ, including liquidity ratios, within eight weeks of month end.
- Monthly balance sheet data of deposit taking institutions, as reported to the BOJ, within four weeks of month end.
- Issuance of exempt distributions by financial and non-financial corporations, six weeks after month end.
- Imports and exports of goods, in US\$ million within twelve weeks after month end. Tourism indicators within four weeks after month end. Remittances' flows within four weeks after month end.
- Consumer price inflation, including by sub-components of the CPI index within four weeks after month end.
- The balance sheet of the PetroCaribe Development Fund with a lag of no more than six weeks after the closing of each month.
- Data on the total loans value of all new user-funded PPPs, specifying the PPPs identified by the Office of the Auditor General as involving only minimal contingent liabilities (including the absence of debt guarantees, demand or price guarantees or termination clauses that could imply a transfer of liabilities to the government).

D. Quarterly

- Holdings of government bonds (J\$-denominated and US\$-denominated) by holder category. The reporting lag should not exceed six weeks after the closing of each month (this would not be applicable to external and non-financial institutional holdings of GOJ global bonds as this information is not available to GOJ).
- Use of the PetroCaribe Development Fund, including loan portfolio by debtor and allocation of the liquidity funds in reserve within six weeks after month end.
- The stock of self-financed public entities non-guaranteed debt.
- Summary balance of payments within four months after quarter end. Revised outturn for the preceding quarters and quarterly projections for the forthcoming year, with a lag of no more than one month following receipt of the outturn for the quarter.
- Gross domestic product growth by sector, in real and nominal terms, including revised outturn for the preceding quarters within three months after quarter end; and projections for the next four quarters, with a lag no more than one month following receipt of the outturn for the quarter.

- Updated set of macroeconomic assumptions and programme indicators for the preceding and forthcoming four quarters within four months of quarter end. Main indicators to be included are: real/nominal GDP, inflation, interest rates, exchange rates, foreign reserves (gross and net), money (base money and M3), credit to the private sector, open market operations and public sector financing (demand and identified financing).
- BOJ's Quarterly Financial Stability Report.
- Quarterly income statement data of deposit taking institutions, as reported to the BOJ within eight weeks of the quarter end.
- Summary review of the securities dealer sector, within eight weeks of quarter end.
- Summary report of the insurance sector (based on current FSC quarterly report), within eight weeks of quarter end.
- Capital adequacy and profitability ratios (against regulatory minima) for DTIs and non-bank financial institutions within eight weeks of quarter end.
- FSC status report detailing compliance (and any remedial measures introduced to address any non-compliance) with the agreed guidelines for the operation of client holding accounts at the Jam Clear@ CSD and FSC independent verification of daily reconciliations using data provided by Jam Clear@ CSD. Reports are due within four weeks of end quarter.