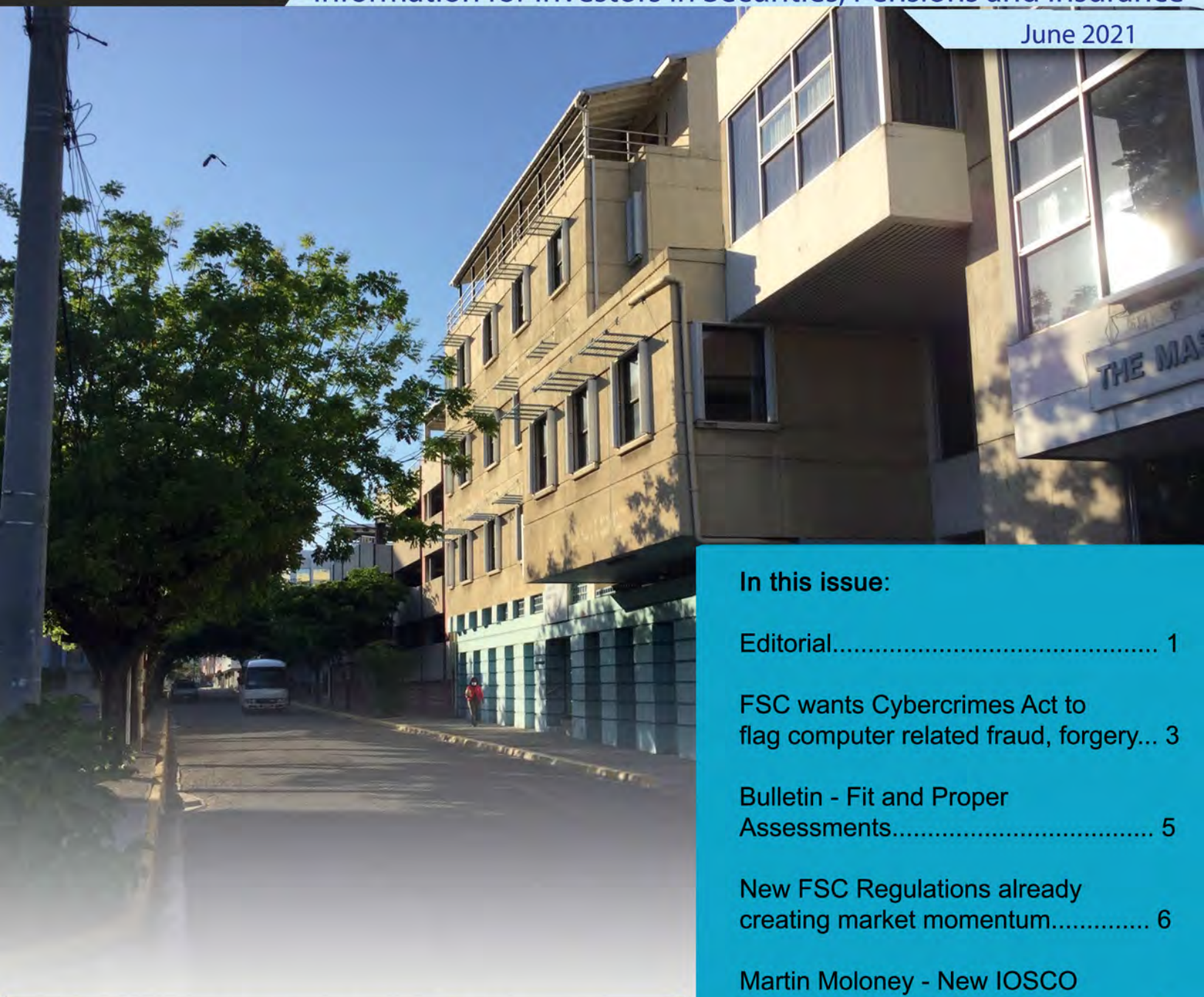


invested

Information for investors in Securities, Pensions and Insurance

June 2021



SHOT OF THE FSC BUILDING AT 39-43 BARBADOS AVENUE, NEW KINGSTON JAMAICA.

Shot by: Nicholas McClure

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Promoting Integrity in the Jamaican Financial Sector.



Patricia McDowell
External Relations Coordinator
Financial Services Commission.

On June 1 –and 2, 2021 the Caribbean Association of Pension Supervisors (CAPS) held its annual conference.

CAPS is an association of 20 Caribbean territories which are all at various stages of pension reform. One of the aims of the association is to provide information on the global trends in the pension industry and also to assist in the development of their local legislation, policies and procedures. In order to achieve this CAPS executive presents meaningful themes and invites presenters who can educate its members regardless of where the country falls on the pension reform continuum.

The FSC which provides secretariat services to CAPS, is very grateful to the assistance provided by the Toronto Centre and LifeWorks (formerly Morneau Sheppel) who rendered invaluable support to CAPS in the planning and hosting of the conference. The collaboration with these agencies has allowed for the continuity and sustainability of the annual conference and all members are very appreciative of their support.

The theme of the 2021 conference was “Navigating the New Normal; A Regulator’s Perspective”. Unlike CAPS 2020 the conference was held over 2 days, and approximately 150 persons from all 20 member states participated on each day. This is the largest number of participants recorded at any CAPS conference since its inception. The guest speaker was Mrs, Sanya Goffe, attorney-at- law, President of the Pensions Industry Association in Jamaica. Mrs. Goffe delivered an excellent address to the conference which certainly set the tone for two thought provoking days.

On day one of the conference, Mrs. Shelina Hiram and Mr. Carl Harilal of the Toronto Centre addressed participants delivering invaluable and extremely useful information. The presenters spoke on Leadership in the new norm and Interview techniques used to assess competency and integrity of plan administrators. Both topics were very relevant in the context of the pandemic and its negative impact on the global pensions industry and also were useful to the regulators who are now contemplating or have implemented the Risk Based Supervision model.



Patricia McDowell
External Relations Coordinator
Financial Services Commission.

On Day 2 presenters from LifeWorks addressed the conference on the topic of Pension Management Strategies. The presenters were extremely qualified and capable and gave the participants an insightful discussion on Traditional Risk Management Strategies and Alternative Pension Plan Models. This was followed by a case study which engaged all participants. The final item on the agenda was a panel discussion which allowed members to share their experiences in regulating the pension industry during the pandemic and also solutions employed to alleviate any problems which were encountered.

CAPS is already looking forward hosting its conference 2022, the format, whether virtual or face to face, will be determined by the status of the Covid 19 pandemic in 2022. However, having found a viable alternative to a face to face meeting we anticipate an equally successful meeting in 2022

Deputy Executive Director of the FSC Mrs. Nicolette Jenez the incumbent CAPS president has extended congratulations to the secretariat, sponsors, members and participants for what she described as a flawlessly executed 2021 annual conference.



FSC wants Cybercrimes Act to flag computer-related fraud, forgery

- The Gleaner

A key financial regulatory body in Jamaica is recommending that lawmakers expand offences under the Cybercrimes Act to tackle computer-related fraud and forgery.

The Financial Services Commission (FSC) wants Section 8 of the act that deals with computer-related fraud or forgery to be widened to include sending, receiving, or sharing data obtained from a computer or other electronic device unlawfully with the intent to cause harm, damage or loss to the aggrieved party or to gain an advantage.

Executive Director of the FSC, Everton McFarlane, made recommendations to amend the law during Wednesday's virtual meeting of a joint select committee reviewing the Cybercrimes Act.

"Essentially, the expansion we are suggesting in this way would allow for the offence to better contemplate certain financial crimes and money-laundering crimes which do not only include unlawfully obtaining data, but also sharing that data or information to other parties with a nefarious intent or an intent to unlawfully deprive or gain from another," McFarlane said.

He is also suggesting an amendment to Section 3 of the parent law to state that a person who knowingly obtains or causes to be obtained for himself or another person any unauthorised access to any program or data held in a computer commits an offence.

Mr. McFarlane reasoned that a person who intends to obtain unauthorised access might use an intermediary through coercion, persuasion or deception, to execute the act on his behalf as he tries to mask his identity.

The FSC also wants other pieces of legislation that may be affected by cybercrimes to be referenced in the act given that a range of criminal activities now take place virtually. Giving an example, McFarlane said that money laundering might include the transfer of funds from criminal activity using online banking.



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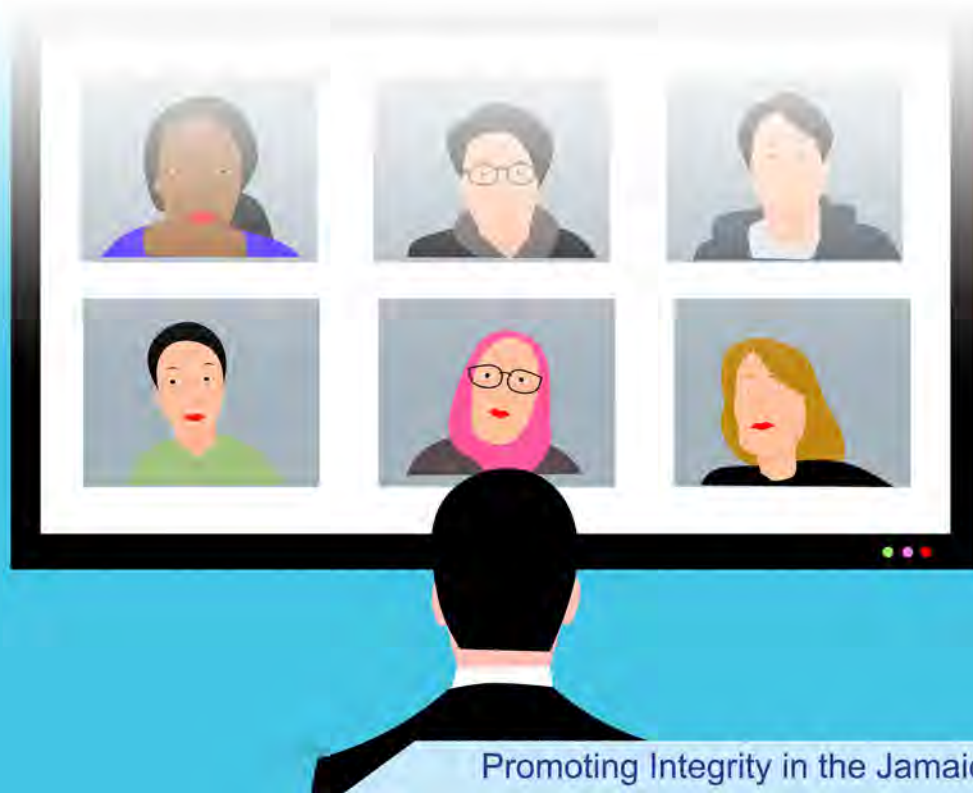
The Executive Director also recommended that the legislation or regulations should contain a provision that would help to verify the identity of an email sender given the prevalence of email spoofing which involves a person forging the email address of another.

Another issue raised by the FSC for consideration is that the law does not address the extradition of Jamaicans in a case where law-enforcement authorities overseas trace illegal cyber activities to nationals.

Bulletin - Fit and Proper Assessment

In carrying out its mandate to regulate and supervise the insurance, pensions, securities, and other industries placed under its remit ("the regulated industries") the Financial Services Commission (the "FSC") conducts a fit and proper assessment of all applicants for licensing and registration in the regulated industries. Such assessments are also conducted for specified persons connected with corporate entities such as the senior executives. Further, the fit and proper assessment process is an on-going one, which continues throughout the period for which a person is licensed or registered with the FSC.

Click here to read the full bulletin!





New FSC Regulations already creating Market Momentum

- Durrant Pate, The Observer

New financial market regulations recently introduced by the Financial Services Commission (FSC) are already creating market momentum and receiving the thumbs up by CFA Society Jamaica, the umbrella body representing the island's certified investment professionals.

CFA Society Jamaica promotes awareness and understanding of securities analysis, investing and the operation of the securities markets. Its members are recognised as ethical, knowledgeable members of the investment decision-making community.

As a professional organisation, the mission is to educate and inform investment decision-makers, promote ethical standards in the industry, and assist financial professionals in career development.

The society points out that as Jamaica inches closer to a post-pandemic rebound, it is characterising the most recent raft of FSC adjustments as particularly timely. The three key measures on which the association's enthusiasm are predicated include expansion of the portfolio allowance in rated and listed instruments, increased allowance in foreign currency assets, and guidelines for conduct in relation to capital market issuances.

Most importantly, CFA Society Jamaica contends that the new regulations will be ushered in just in time for the anticipated peak in demand for access to funding. To complement the FSC reforms, the association of financial analysts is proposing an expansion of the definition of sophisticated investor to include individuals who demonstrate technical competence and experience in dealing with riskier investments, whether evidenced through professional certification or otherwise.

According to CFA Society Jamaica, "the proposed amendments will improve accountability within the investment landscape while diversifying the available range of instruments in local markets. In short, the reforms will support a more inclusive investment ecosystem that is aligned with developed capital markets rather than with nascent ones".



New FSC Regulations already creating Market Momentum

- Durrant Pate, The Observer

GREATER FLEXIBILITY FOR FUND MANAGERS

CFA Society Jamaica president, Brian Frazer explains that, “The increased allowance in rated and listed instruments and foreign-denominated currency assets will result in greater flexibility for fund managers to create portfolios that are more in line with their clients' needs, for they can now incorporate further investments in corporate bonds and private equity — both of which have been shown to create significant value in more developed markets and both of which have become increasingly interesting to their local client base.”

Based on the behaviour of more mature markets, Frazer purports that the increased momentum being exhibited by the Jamaican market would be enhanced by the expansion of the class of the sophisticated investor, which would allow for the participation of a wider pool of technically adept investors. These investors would include CFA Charter holders, who can provide further perspectives and analyses on the assets. And, he intends to continue advocating for this change.

Beyond creative capital, the association posits that these reforms will usher in larger and more sophisticated issuances whilst promoting the advantage of local capital markets and providing opportunities to tap regional investors. This would allow Jamaica to maintain its lead as the market capital of the Caribbean.

While CFA Society Jamaica is pleased with the less restrictive approach by the regulators, it also applauds the concomitant guidelines that demand accountability in the issuance of investment instruments given. The CFA Society Jamaica president argues that both will augur well for Jamaica.

Frazer made the point that, “These adjustments allow capital to find its way more easily to companies to rebuild and retool — especially where a commercial bank loan is not the appropriate solution — thereby becoming a critical enabler to improvements in innovation and efficiency.”



New FSC Regulations already creating Market Momentum

- Durrant Pate, The Observer

REFORMS STRENGTHENING JAMAICA'S CAPITAL MARKETS

He conceded that the reforms being implemented by the FSC are indeed strengthening Jamaica's capital markets, noting that, "The provision of equitable access to business capital is a critical lever for growth. This can, however, only be achieved through the development of properly structured capital markets, the foundation of which is being strengthened by these reforms."

Frazer posits that stronger technical capabilities, coupled with ethical practitioner behaviour, ensure that the public has confidence in the markets and that the best interests of investors and the wider society are served. "As we emerge from the COVID-19 challenge, companies will need more flexible forms of capital as they negotiate recovery and try to conserve cash flow to build back. We also expect to see an expansion of the digital economy that will need creative forms of financing," Frazer said in conclusion.



Martin Moloney named as new IOSCO Secretary General

- IOSCO Non-Media

The Board of the International Organization of Securities Commissions (IOSCO) recently announced that it has appointed Martin Moloney as its new Secretary General.

IOSCO Board Chair Ashley Alder said, “I am delighted to welcome Martin at this key time in the development of IOSCO’s work. He comes to us with a very strong record as a regulator at a time when IOSCO is playing a key role in the evolution of global financial markets. He is well known to many in the industry and member jurisdictions and will further develop our strong record of dynamic engagement both with industry and our members.”

Martin Moloney said: “I am very honored by the trust placed in me by the IOSCO Board with this appointment. IOSCO has a hugely ambitious agenda of work underway. We will be driving forward to tackle both the environmental and financial stability challenges facing financial markets regulation. At the same time, we will work to ensure that investors continue to be well protected and that member jurisdictions work together to adopt high standards of market integrity.”



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ARE AND WHAT WE DO!***

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The editorial staff of the Invested newsletter welcomes your comments, suggestions and articles as we strive to share financial information with our many stakeholders.

The Financial Services Commission also welcomes invitations to speak at forums as well as community meetings.

Public education and financial literacy are critical elements as we pursue financial inclusion.