

SR-ADVI-14/10-0007



SECURITIES INDUSTRY ADVISORY

Securities Industry Reform-Minimum Transaction Size

**The Financial Services Commission
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October 1, 2014

SECURITIES INDUSTRY ADVISORY: SECURITIES INDUSTRY REFORM - MINIMUM TRANSACTION SIZE**October 1, 2014**

The Financial Services Commission (FSC) has begun to implement securities sector reforms aimed at mitigating the risks to investors engaged in retail repurchase agreements (retail repos). One critical element of the reform is the establishment of a minimum transaction size for retail repos. In August 2014, following detailed consultation with securities dealers and other stakeholders, the FSC formally notified its licensees of the establishment of a Minimum Transaction Implementation Schedule detailing minimum transaction sizes for retail repos denominated in J\$ and US\$ currencies.. The FSC expressly reserves the right to increase the minimum transaction size at any time to amounts higher than those stated in the Implementation Schedule, and/or to vary the dates in the Implementation Schedule. The FSC will continue its practice of dialogue with its licensees throughout this process.

As per our previous instruction to licensed securities dealers engaged in retail repos business, EFFECTIVE TODAY, OCTOBER 1, 2014, the minimum transaction size for retail repos shall be J\$100,000 (for J\$ currency contracts) and US\$1,000 (for US\$ currency contracts).

Securities Dealers must comply with the minimum transaction size as implemented today October 1, 2014 and the implementation schedule and shall put in place such operational mechanisms as are necessary to achieve compliance with the FSC's directive on the minimum transaction size.

Licensees are advised that, in monitoring the industry, the FSC shall have regard to its previous instructions and this Advisory when determining whether a licensee is engaged or is about to engage in an unsafe or unsound practice in conducting its securities business. We refer to the Financial Services Commission Act and the Securities Act, in this regard. Licensees and their responsible officers must be guided accordingly.