



SECURITIES INDUSTRY ADVISORY

Amendment to the Pool of Allowable Assets for Retail Repurchase Agreements

**The Financial Services Commission
39-43 Barbados Avenue
Kingston 5, Jamaica W.I.
Telephone: (876)906-3010**

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FINANCIAL SERVICES COMMISSION
AMENDMENT TO THE POOL OF ALLOWABLE ASSETS FOR RETAIL REPURCHASE AGREEMENTS

1.0 Background

- 1.1 In July 2015, the Financial Services Commission (FSC) released the Securities Industry Advisory for the New Retail Repurchase Agreement Regulatory and Operational Framework (**SR-ADVI-15/07-0009**). Since then, the FSC has made amendments and clarifications to its pool of allowable assets under the framework in two subsequent advisories: The Securities Industry Advisories: Amendment to the Pool of Allowable Assets for Retail Repurchase Agreements (**SR-ADVI-17/12-0009-1 and SR-ADVI-20/03-0011**) released in December 2017 and March 2020 (**SR-ADVI-20/03-0011**).
- 1.2 The FSC has identified the need for greater operational flexibility in asset substitution within the retail repurchase agreement framework. The Commission therefore amends section 2.07 of the Securities Industry Advisory for the New Retail Repurchase Agreement Regulatory and Operational Framework (SR-ADVI-15/07-0009) as outlined below.

2.0 Amendments to the Universe of Allowable Securities

- 2.1 Effective May 1, 2026, paragraph 2.07 of the Securities Industry Advisory for the New Retail Repurchase Agreement Regulatory and Operational Framework (SR-ADVI-15/07-0009) is amended to read as follows:

Securities dealers will be allowed to collateralize retail repurchase agreements with cash subject to the following conditions:

- (i) Contracts will only initiate with securities as per section 2.07 (a) and (b) of the Securities Industry Advisory for the New Retail Repurchase Agreement Regulatory and Operational Framework (SR-ADVI-15/07-0009);
- (ii) Contracts will be subject to a rest period of 24 hours after initiation before a cash substitution can be made;

- (iii) Rolling of contracts with cash is strictly prohibited;
- (iv) Cash must cover the full principal and interest payable at maturity;
- (v) No margin will be required for cash unless it represents a cross-currency substitution. Cross currency substitutions will require a margin of 10%;
- (vi) Each securities dealer desirous of using cash as an allowable asset must establish an account with the Jamaica Central Securities Depository.

Kindly direct queries in writing to:

The Senior Director, Securities
Financial Services Commission
39-43 Barbados Avenue
Kingston 5,
Jamaica, W.I.

Or by email to:

securities@fscjamaica.org