



The Financial Services Commission (FSC) in association with the International Monetary Fund (IMF) has enhanced its regulatory and supervisory framework for the retail repo market using the Jamaica Central Securities Depository as a Trustee. The aim of this new framework is to fulfill its mandate of protecting clients of the Retail Repurchase Agreement Market.



**What is a Repurchase Agreement (REPO)?**

Repo is an agreement between a securities dealer and an investor, where the securities dealer agrees to sell the investor a security or interest in a security, at a specified price, with a commitment to buy back the security at an agreed future date and price.

**What is a Retail Repurchase Agreement (Retail REPO)?**



Retail Repo is an agreement between a securities dealer and an investor whereby the dealer does not completely transfer legal ownership of the underlying securities to the investor.



**Primary Benefits of the new framework**

1. Enhanced investor protection – The involvement of a Trustee offers greater protection for the securities underlying retail repos. If, for example, a securities dealer were to become insolvent, the securities underlying the retail repo contracts offered by the dealer would not be considered a part of the dealer's estate, but would instead be recognized as being held by a third party for the benefit of each retail repo investor.
2. More disclosure arising from the new retail repo documentation.
3. Access to account information and balances using the services provided by the Trustee.

# MEET THE TEAM



**STANDING: Adrian Buchanan – Manager, Retail Repo Division**

Seated L-R: Monea Hibbert – Retail Repurchase Officer,

Melesia Otto – Retail Repurchase Officer

Ornella Davis – Clerical Assistant



The Jamaica Central Securities Depository Trustee Services through the collaboration with the FSC, Bank of Jamaica (BOJ) and the Security Dealers, have successfully migrated the retail Repo Market to the new framework.