

BOJ Adjusts Exchange Rate for Cambio Cash Surrenders

Effective 01 May 2018, Bank of Jamaica will purchase cash surrenders from cambios at the mid-day rate less a discount factor of 2.00 per cent. This discount rate represents an increase from the previous discount of 0.25 per cent.

Handling cash is costly and has to bear the burden of a discount, but compared to prevailing market rates for cash transaction in the foreign exchange market, the 0.25 per cent rate discount charged by BOJ is in effect a premium that is out of line with the market in general.

In that regard, in the interest of greater equity and transparency, this premium is now being removed to bring the Bank's exchange rate for cash surrenders in line with the market rates for cash.

This move thereby removes any possible distortion in the market that may arise from Bank of Jamaica's trades with cambios.