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**Time Bound Action Plan for the Reform of the**

**Secured Transactions [Moveable Property Collateral] Framework in Jamaica**

* Build understanding and consensus on the legislative and regulatory reforms that are necessary to implement a secured transactions framework and to create a central registry of pledged assets. (See Activity A below.)
* A Position Paper must be developed in satisfactory form for PIOJ to present to the Ministry of Finance and the Pubic Service (MoF&PS). An International Secured Transactions Consultant (STC) and a Jamaican Legal Consultant (JLC) will prepare the paper with guidance from a Steering Committee (SC) of Jamaican stakeholders: representatives from PIOJ and MoF&PS, and private sector representatives from the professions and from business. (See Activity B below.)
* Position Paper must be presented for consideration by Cabinet. If the Position Paper is approved by Cabinet and a decision is taken to approve the issuance of drafting instructions, then this will form the basis of the Bill.
* Registry Business Plan. Planning documents for registry implementation must be prepared. The registry plan may begin when the SC has reached consensus and notice filing principles are to be included in the Position Paper. The registry plan will contain all documentation necessary to set up the secured transactions registry, if the secured transactions legal proposal were enacted into law. An international registry expert and a Jamaican IT expert will consult with the Registry host anticipated in the Policy Paper. (See Activity D below.)
* Where consultants are required, funding will be provided by IADB.

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|  | **IMPLEMENTATION** | | |  |  |
| **ACTIVITIES** | **DESCRIPTION** | **CALENDAR/MILESTONES** | **PRODUCTS** | **RESPONSIBLE UNIT** | **COMMENTS** |
| **A. Build Consensus and Develop a Position Paper Agreed Among Stakeholders**  The purpose of this activity is to work with interested stakeholders to build an understanding of and consensus on the underlying issues. This process will culminate in a position paper on secured transactions legal reform that the PIOJ will present to the MoF&PS, will advocate legal reform. | | | | | |
| **A.1**  **Preparation / distribution of preliminary report / background material** | Consultant’s report contains diagnosis of current situation in Jamaica and proposals for reform. | January – April 2008 | * Paper on “Secure Lending Legal Reform in Jamaica” | IADB Consultant | Completed |
| **A.2**  **First workshop on secured transactions with selected audience** | Half day workshop attended by representatives from banking, legal and government communities | Bb  April 24, 2008 | * PowerPoint presentation and discussion of issues | PIOJ / IADB | Completed |
| **A.3**  **Preparation of Draft Position Paper** | Paper would represent first product with active Jamaican involvement in its preparation.  (Paper would build on January 14 2008 report submitted by Allen Welsh, consultant to IADB, see activity A.1 but would be further informed by workshops held with stakeholders.) | fa  July 21, 2008 | * Draft position paper | IADB Consultant and members of JCEP Steering Committee (with PIOJ / MoF&PS support) | Carried out by IDB Consultant/ IDB & PIOJ Project Teams |

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| **A.4**  **Seminars with major stakeholders to discuss Issues Paper** | 1. **Jamaica Bankers Assn.** 2. **Jamaica Bar Assn.** 3. **PSOJ General Meeting** | Late July – September 2008  This exercise should be tailored to each stakeholder group and should build the respective group’s understanding of and confidence in the importance of ST for Jamaica. | Draft Position Paper, summary (power point) presentation and other handouts to be distributed at seminars | JCEP Steering Committee with support from PIOJ - JCEP coordinator | Consultant to make the presentations |
| **B. Prior technical work necessary to prepare Legislation and to implement registry**  In the interests of expediency this activity can be initiated while consensus-building activities are still underway. However it is important that there is clear stakeholder support for the legislative and institutional reforms to be undertaken. | | | | | |
| **B.1**  **Assemble team of international and local experts** | Based on consensus-building activities carried out heretofore and expected future such activities, a team of international and local experts will be hired to develop a detailed legislative proposal and central registry business plan, both of which are tailored to circumstances in Jamaica. | 2010  Request for Proposals issued for International / Local Team: [[1]](#footnote-1) | Interim reports of experts. | PIOJ-JCEP project team with assistance from IADB |  |
| **C. Legislative Process** |  |  |  |  |  |

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| The purpose of this activity is to develop the Secured Transactions Bill | | | | | |
| **C.1**  **Prepare Cabinet Submission seeking approval for proposal** | Cabinet Submission would be based on Final Policy Proposal Paper | 2010  (dates depend on activities A & B) | Cabinet Submission | MoF&PS |  |
| **C.2**  **Issue drafting instructions to CPC** | Drafting instructions would be based on Policy Paper and other legislation from other jurisdiction | 2010  (dates depend on activities A & B) | Detailed drafting instructions | MoF&PS |  |
| **C.3**  **Prepare Draft Bill** | The Bill will be drafted by the CPC with the support of legal consultants |  | Draft Bill | CPC |  |
| **C.4**  **Circulate Bill for comments to stakeholders** | * Stakeholders participating in earlier consensus building activities (see above) would be encouraged to comment. \* * International experts to review draft law to assure conformance to basic international best practice. \* | 2010  (dates depend on activities A & B) | Written comments received on draft Bill | MoF&PS |  |
| **C.5**  **Submit Bill to Legislation Committee** | The Bill is reviewed in detail by a Sub Committee of Cabinet |  |  |  |  |

\* The Minister must grant permission to facilitate review of Draft Bill by stakeholders as stated in Section 22 of Circular outlining Guidelines for Presentation and Preparation of Legislation.

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| **C.6**  **Submit Bill to Cabinet for approval for tabling in Parliament** |  | 2010  (dates depend on activities A & B) | Final clean draft of Bill | MoF&PS | Completed |
| **C.7**  **Preparation of implementing regulations** | The team of local and international experts (Activities B.1 and B.2 above) will have prepared a detailed draft of the implementing regulations which can serve as the drafting instructions to the agency formally responsible for preparing the regulations. | (dates depend on activities A & B and completion of prior components of activity C) | Draft of implementing regulations | MoF&PS / BOJ ?? |  |
| **C.8**  **Bill Tabled in Parliament along with Regulations** |  | 2011  (dates depend on activities A & B) |  | MoF&PS |  |
| **C.9**  **Final approval of Bill and implementing regulations** |  | (dates depend on activities A & B and completion of prior components of activity C) | Act of Parliament | Parliament |  |

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| **ACTIVITIES** | **DESCRIPTION** | **CALENDAR/MILESTONES** | **PRODUCTS** | **RESPONSIBLE UNIT** |
| **D. Develop Registry Business Plan and Implementation / Follow-up[[2]](#footnote-2)** | | | | |
| **D.1**  **Recruit/Procure services of consultants (internal/external) to provide technical assistance/direction as necessary in the establishment of an institutional framework for the Registry[[3]](#footnote-3)** | (See prior technical work – activities B.1 & B.2 above) | 2010  (dates depend on activities A & B) |  | MoF&PS, JCEP Steering Committee |
| **D.2**  **In conjunction with internal/external consultants review framework and identify the requirements necessary for the establishment of the Registry** | (See prior technical work – activities B.1 & B.2 above) | 2010  (dates depend on activities A & B and completion of prior components of activity D) |  | Consultants, JCEP Steering Committee |

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| **D.3**  **In conjunction with internal/external consultants develop project management plan** | (See prior technical work – activities B.1 & B.2 above) | 2010  (dates depend on activities A & B and completion of prior components of activity D) | Agreed project management plan | Depends on decision on where to house the registry. |  |
| **D.4**  **Procurement of Hardware** |  | 2010  (dates depend on activities A & B and completion of prior components of activity D) | Hardware procured |  |  |
| **D.5**  **Procurement of software** |  | 2010-2011  (dates depend on activities A & B and completion of prior components of activity D) | Software procured |  |  |
| **D.6**  **Develop user manuals** |  | 2010  (dates depend on activities A & B and completion of prior components of activity D) | Manuals prepared |  |  |
| **D.7**  **Develop staff training plans** |  | 2010  (dates depend on activities A & B and completion of prior components of activity D) | Training plans finalized |  |  |
| **D.8**  **Coordinate workshops to sensitize end-users/stakeholders of the Registry/ Conceptualize and implement public awareness programmes to sensitize end-users/stakeholders** |  | 2011  (dates depend on activities A & B and completion of prior components of activity D) | Workshops carried out.  Public awareness campaigns conducted. |  |  |

July 4, 2008

1. The RFP will require:

   1. Developing the enabling regulations for the law and the filing archive.
   2. Specifying the characteristics of the database to be used for the filing archive
   3. Hiring a local legal team to provide Jamaican context and to liaise locally

   [↑](#footnote-ref-1)
2. 3 Several of these activities can be carried out in parallel with the legislative process. Most of these activities will take place between the second and third PBL operations. (Additional funding as needed may be obtained from a set-aside from the disbursement of the second loan.) [↑](#footnote-ref-2)
3. 4A key decision will be regarding what institution should be the formal home for the Registry. It could be operated by a private entity, such as the Jamaica Bankers Association, or it could be lodged and managed by a government agency, such as the MoF&PS or Central Bank. There are pro’s and con’s for each alternative that should be fully vetted during the prior technical work to be carried out under activities B.1 and B.2 [↑](#footnote-ref-3)