

A BILL

ENTITLED

AN ACT to Further Amend the Financial Administration and Audit Act.

[]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and House of Representatives of Jamaica, and by the authority of the same, as follows:—

1. This Act may be cited as the Financial Administration and Audit (Amendment) (No. 2) Act, 2020, and shall be read and construed as one with the Financial Administration and Audit Act (hereinafter referred to as the principal Act) and all amendments thereto.

Short title
and
construction.

Amendment
of section
48CA of
principal Act.

2. Section 48CA of the principal Act is amended—

- (a) in subsection (1)(a) by deleting the words “three and a half” and substituting therefor the word “three”;
- (b) in subsection (1)(b) by—
 - (i) deleting the words “reach or exceed three and a half” and substituting therefor the words “exceed three”;
 - (ii) deleting from sub-paragraph (ii) the words “and a half”;
- (c) by deleting subsection (1)(f) and substituting therefor the following—
 - “(f) the cumulative deviations referred to—
 - (i) in paragraph (a) shall be corrected over a period of three financial years;
 - (ii) in paragraph (b) shall be corrected over a period of four financial years.”;
- (d) by deleting subsection (2) and substituting therefor the following—
 - “(2) At the end of each period referred to in subsection (1)(f) there shall be a recalibration during which compliance with section 48C (1)(a) and (b) may be suspended in accordance with section 48C (2).”.

MEMORANDUM OF OBJECTS AND REASONS

The fiscal response required in the financial year 2020/21 to address the impact of the COVID-19 pandemic generated a deviation in the central government fiscal balance of 3.7% of Gross Domestic Product ("GDP"). The automatic correction mechanism under the Financial Administration and Audit Act requires adjustment measures in the coming fiscal year of at least 1.5% of GDP in conformity with section 48CA(1)(b) of the Act and further adjustment measures of 2.2% of GDP to be applied in the ensuing year.

A decision has therefore been taken to amend the Financial Administration and Audit Act to facilitate the pursuit of an adjustment path alongside gradual economic recovery. The amendments seek to lengthen the time period allotted for recovery as well as to reduce the minimum required adjustment in any one year while maintaining a trajectory to achieve the new date for attainment of debt/GDP at 60%.

This Bill seeks to give effect to that decision.

NIGEL CLARKE
Minister of Finance and the Public Service.

ABILL

ENTITLED

**An ACT to Further Amend the Financial
Administration and Audit Act.**

**As introduced by the Honourable Minister of Finance
and the Public Service.**

**PRINTED BY JAMAICA PRINTING SERVICES (1992) LTD.,
(GOVERNMENT PRINTERS), DUKE STREET, KINGSTON, JAMAICA.**
