

JAMAICA DEPOSIT INSURANCE CORPORATION

FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS
FY2020/2021 - FY2023/24



To: The Minister of Finance and the Public Service
Copy: Financial Secretary
Deputy Financial Secretary, Public Enterprises Division



VISION

To promote and inspire financial system confidence and stability

MISSION

The Jamaica Deposit Insurance Corporation is committed to:

- Providing insurance against the loss of depositors' funds
- Minimising the Corporation's exposure to loss
- Contributing to the stability and confidence in Jamaica's financial system

through sound management of the Deposit Insurance Fund in an environment which fosters and encourages professionalism and excellence and allows employees to realize their full potential.

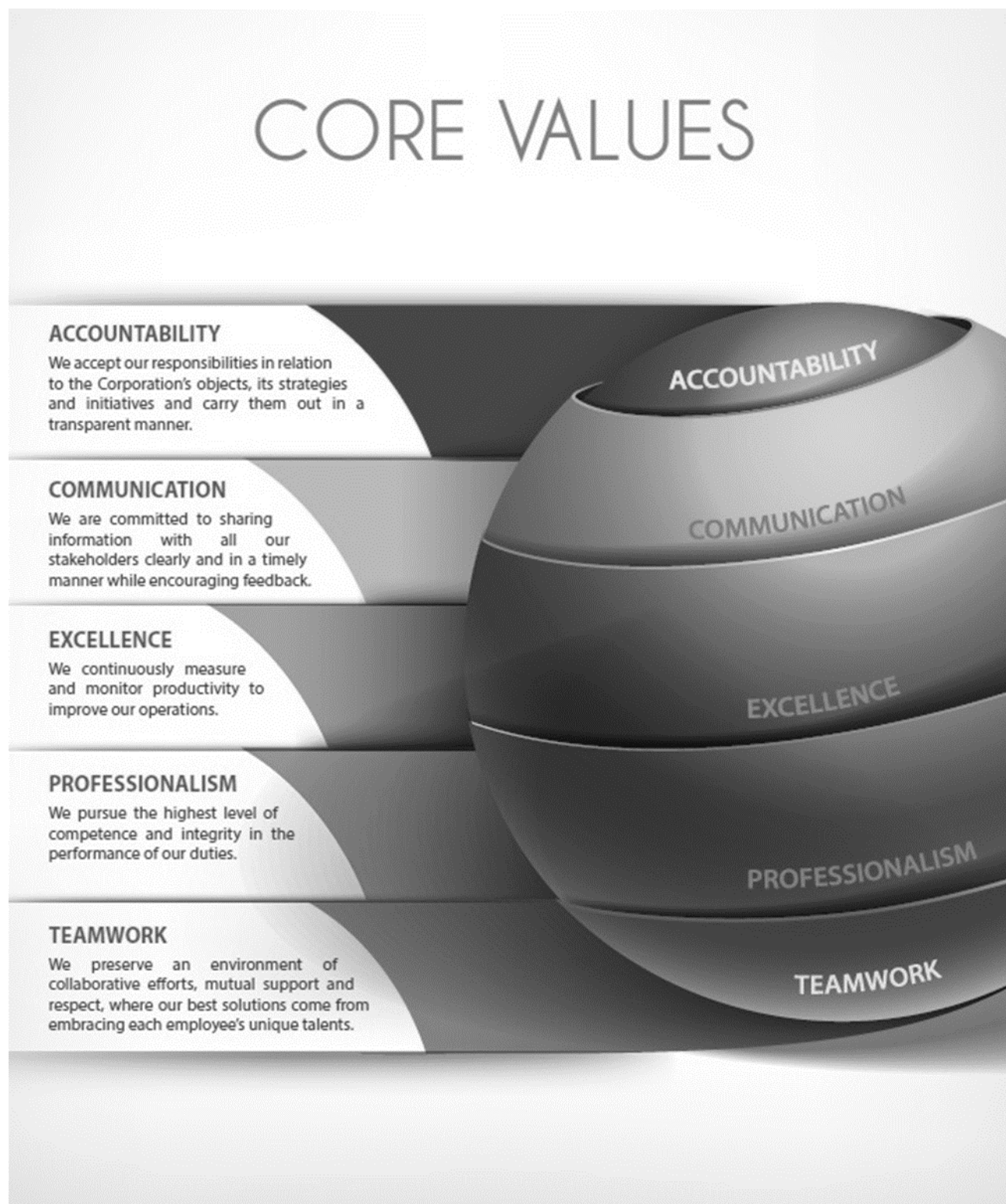




TABLE OF CONTENT

I.	ABBREVIATIONS.....	5
II.	EXECUTIVE SUMMARY.....	7
III.	INTRODUCTION.....	13

PART A
(Satisfaction of Items 1 and 2 of the First
Schedule of the PBMA)

IV.	CORPORATE OBJECTS.....	18
V.	ENVIRONMENTAL SCAN.....	19
VI.	STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT).....	41
VII.	PLANNING ASSUMPTIONS	48
VIII.	ENVIRONMENTAL MANAGEMENT	52
IX.	INTEGRATING ENTERPRISE RISK MANAGEMENT WITH THE STRATEGIC OBJECTIVES	56
X.	BUSINESS STRATEGIES FOR FY2020/21 – FY2023/24.....	70

PART B
(Satisfaction of Item 6 of the First Schedule
of the PBMA)

XI.	CORPORATE PLAN FY2020/21 – FY2023/24 (TABLE 1).....	79
XII.	CORPORATE SCORECARD FY2020/21 (TABLE 2).....	125

PART C
(Satisfaction of Items 7, 8, 9, 10, 11 & 12 of the First
Schedule of the PBMA)

.....	132
-------	-----



APPENDICES

	Page
Appendix 1: Organization Chart	136
Appendix 2: Operating and Capital Budgets FY2020/21 – FY2023/24 and Significant Accounting Policies.....	138
(Satisfaction of Items 3, 4 and 5 of the First Schedule of the PBMA)	
Appendix 3: Procurement Plan FY2019/20 (Includes update for FY2018/19)	216
Appendix 4: Business Strategies: Performance Against Targets FY2019/20.....	225
Appendix 5: Monitoring and Risk Assessment Departmental Operating Plan.....	239
Appendix 6: Intervention, Resolutions and International Relations Departmental Operating Plan	269
Appendix 7: Finance, Funds and Asset Management Departmental (Including Information and Communication Technology) Operating Plan.....	314
Appendix 8: General Counsel, Corporate Secretariat and Communications Departmental Operating Plan....	363

ABBREVIATIONS

BCBS	Basel Committee on Banking Supervision
BOJ	Bank of Jamaica
BSA	Banking Services Act
CUSPA	Credit Union (Special Provision) Act
DIA	Deposit Insurance Act
DIF	Deposit Insurance Fund
DIS	Deposit Insurance Scheme
DTIs	Deposit-taking Institutions
EFF	Extended Fund Facility
ERP	Economic Reform Programme
FAAA	Financial Administration and Audit Act
FIRA	Financial Institutions Resolution Act
FIRS	Financial Information Reporting System
FHC	Financial Holding Company
FRC	Financial Regulatory Committee
FSAP	Financial Sector Assessment Programme
FSC	Financial Services Commission
FSB	Financial Stability Board
FSSN	Financial System Safety Net
FSSC	Financial System Stability Committee
GDP	Gross Domestic Product
GOJ	Government of Jamaica
G-SIBs	Global Systemically Important Banks



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

IADI	International Association of Deposit Insurers
IMF	International Monetary Fund
MIBIS	Member Institutions' business Intelligence Software
MoFPS	Ministry of Finance and the Public Service
NFCMP	National Financial Crisis Management Plan
NFIS	National Financial Inclusion Strategy
NIR	Net International Reserves
PBMA	Public Bodies Management and Accountability Act
PRAF	Policyholders' Risk Assessment Framework
SBA	Standby Arrangement
SDR	Special Drawing Right
SIFIs	Systemically Important Financial Institutions
SIPPA	Security Interests in Personal Property Act
SRR	Special Resolution Regime



EXECUTIVE SUMMARY

OVERVIEW

The statutory objects and mandate of the Corporation being depositor protection, receiverships and liquidation management of a failed Policyholder, within the wider public policy objective for maintaining financial system stability, will be broadened during the planning period. The broadening of the Corporation's mandate will be underpinned by the continuation of policy reviews and legislative enhancements/ reforms impacting the financial system infrastructure. These are geared towards strengthening the protection arrangements in the financial system and the orderly resolution of non-viable financial institutions, while maintaining critical economic functions, financial stability and reducing the costs to the public purse.

There are three underlying pillars of the JDIC Corporate Plans FY2020/21 – 2023/24 that will seek to ensure the public policy objectives of the DIS remain relevant and the implementation of regulatory responses are timely. The three underlying pillars are as follows: the impacts of financial technology on Policyholder business models, financial consumer expectations and protections and on the JDIC's operational efficiency and effectiveness; public education and awareness within the rubric of the larger public policy initiatives for financial inclusion; and importantly, strategies for the strengthening and sustainability of JDIC's human resource capacity. These are reflected in the business strategies and key initiatives identified for execution over the period.

From a best practice perspective, developments and emerging trends in global economies relating to financial sector reform post the global financial crisis of 2007 – 2010, continue to influence our local infrastructure requirements for the effective management of the financial ecosystem. Locally, this has been characterized by significant policy development and legislative enhancements in respect of: (i) prudential regulations, in particular more robust liquidity and capital requirements; (ii) deposit insurance; (iii) other



financial consumer protection schemes; and (iv) the resolution of non-viable financial institutions. During the planning period, JDIC, and other financial system safety net (FSSN) partners will continue to pursue these comprehensive financial sector reforms to ameliorate regulatory and infrastructure/framework gaps to build a more resilient financial system which supports economic growth, expansion and development.

Specifically, JDIC continues to be proactive in its ongoing monitoring of, and response to, the developments and trends in global and domestic economies impacting financial system stability and participating in the local financial sector reforms. Financial sector reforms directly impacting JDIC's mandate and operations mainly relate to four areas. These are regulatory and operational enhancements to allow the more strategic integration of the depositor protection system's existing and consequential mandate within a comprehensive slate of options in an optimal public administration framework for the resolution of non-viable financial institutions; the inclusion of credit unions under the regulatory regime of the Central Bank and their membership in the deposit insurance scheme; the development of compensation schemes for the protection of non-deposit taking institutions and working in collaboration with strategic partners in the National Financial Inclusion Council to facilitate the acceleration of the implementation of a holistic framework for financial inclusion. At the platform operating level, JDIC will pursue initiatives to enhance its own information and communication technology governance processes. These initiatives will include the appropriate measures and implementation timelines for continued digital transformation to optimize operational efficiency, particularly where timely information exchange with stakeholders (regulators, Policyholders, and depositors), data storage and data security, is mission critical and imperative.

To address its human resource capacity challenges made seemingly intractable from previous periods, in FY2018/19 the Corporation was able to conclude a comprehensive review of its business operating model, organization structure, and job specifications and salary classifications systems to underpin its business strategy for building sustainable



human resource capacity. The results of this exercise were presented to the MoFPS in 2018 for review and approval. The expectation is for the Corporation to be granted the requisite approvals in FY2020 in order to be able to achieve more optimal hiring, retention and succession planning practices, on an ongoing basis, to meet the existing and emerging mandate of the JDIC and its overall value creating proposition and stakeholder accountability.

Office space constraints identified from the prior period are to be addressed during the planning period; the objective being that there will be more optimized and ergonomic accommodations for staff by the end of the second year of the Corporate Plan FY2021/22. This will facilitate the deployment of the existing and emerging mandate while ensuring the JDIC's compliance with the occupational health and safety laws and other legal obligations in respect of the quality of the workplace.

FINANCIAL OUTTURN

The key sources of income will continue to be the premiums collected from Policyholders and investment income reflected as the total income of the Corporation. Premium growth is based on the growth of insurable deposits held by JDIC Policyholders being the basis of the application of the prescribed premium rate, now 15 basis points. The projection is for premium income to grow by 9 percent each year in the period. With the significant success of macroeconomic reforms, specifically related to fiscal sustainability structures entrenched in the prior periods and a clearly defined Central Bank mandate for price stability and financial system stability together with the legislated independence of the Central Bank, it is expected that the due management of inflationary tendencies will continue and interest rates will remain low and or in a range sufficient to support economic development, expansion and growth. In this context, investment income is projected to grow at a slower rate with a weighted average yield of 6.79 percent on the JDIC investment portfolio at the beginning of the four-year period compared to 5.42 percent by the end of the period. These lower interest rates will continue to impact the



rate of growth of investment income. The JDIC will continue review its investment mandate, policies and strategies to optimize the growth of the Deposit Insurance Fund within the context of preservation of capital and its liquidity requirements.

Increase in expenses over the prior year outturn (actual expenditures) will be reflective of the implementation of the major initiatives during the period and, in particular, the long awaited implementation of the Organization Review and Job Evaluation and Reclassification exercise recommendations awaiting MOFP approval. This will be implemented incrementally over the planning period.

With sound management of investment operations, and notwithstanding the lower interest rate environment, net surplus ratio is projected to average 80.2 per cent over the 4-year period.

The Deposit Insurance Fund

In the prior year period of this Plan, with appropriate risk analysis of Policyholders, the Deposit Insurance Fund (DIF/the Fund) was deemed adequate to meet its liabilities and potential liabilities. The projected balance in the DIF at the end of the period FY2023/24 will reach approximately \$34.9 billion and represent 7.1 percent of insured deposits projected within the system and take the DIF reserve target ratio closer to the lower end of the target range set by the Corporation at of 8 -10 percent. As the occurrence and magnitude of a financial crisis is not necessarily readily predicted, during the planning period, the Corporation will continue to ensure that its liquidity requirements in crisis and non-crisis periods can be met and that there is contingency funding readily available or easily negotiated through pre-determined channels, and in line with the Corporation's borrowing powers to deal with a crisis. These channels will include, but are not limited to support from the GOJ, BOJ and selected multilateral agencies, subject to adequate arrangements for the provision of security/guarantees to support borrowings and commitments.

Key Performance Ratios

The efficiency of Corporation's operations is proxied in non-crisis periods as, the operating ratio, which measures total expenses as a percentage of total interest earned. For the planning period, the operating ratio will reflect required improvements in emoluments and conditions of work of the JDIC staff and technical capacity enhancement through the engagement of subject matter experts and consultants; and as well the costs of enhancements to the Corporation's building and work space infrastructure. In this context, asset management and return on assets ratios are relatively flat and projected to improve by the end of the planning period. Net surpluses remain at acceptable levels and the total administration costs as a percentage of the DIF remains creditable under 3 percent as in prior periods. Total staff costs as a percentage of administrative expenses remains under 60 percent of total expenses, still at the lower end of the appropriate benchmarks for a business organization model with the JDIC mandate.

THE CORPORATE PLANNING PROCESS: “CONTINUING THE TRANSFORMATION – DEFINING AND CREATING VALUE”

The Corporation continues to adhere to the principle that the credibility of its plans is underpinned by the processes used to derive them. The planning process involved: an environmental scan taking into account the international, regional and domestic economic developments and outlook; developments in the JDIC's Policyholder regulatory environment; Policyholder's performance; the development and trends in financial markets specifically relating to deposit insurance and financial system stability and concluded with the implications for the JDIC operations, policy responses and identification of supporting key operational initiatives. Other aspects of the planning process involved the following undertakings:

- Review of the Corporation's performance against targets for FY2019/20;

- Review of the outcome of the Corporation's annual resolution contingency planning exercise;
- Status update of its business continuity and disaster recovery plans;
- An environmental management assessment;
- Review and research on the trajectory of Policyholder innovations in customer service and delivery channels in the context of the Implications of financial technology for Policyholder operations and performance and the regulatory framework; and
- Enterprise wide identification and assessment and response initiatives to the key strategic risks and other operating risk to which the Corporation is exposed. The 'Very High' risks were assessed as relating primarily to the human resource challenges; crisis management frameworks and capacity and which are being addressed through the strategy for *Building Sustainable Human Resource Capacity; Proactive Readiness and Resolution Management* and, with the focus on technology, *Leveraging Information and Communication Technology for Operational Efficiency*.

JDIC's corporate plans comply with the requirements of the MoFPS Budget Call and the relevant legislation including the Deposit Insurance Act, the Public Bodies Management and Accountability Act and other directives issued by the MoFPS.

Following on from the prior year, the planning period saw the continuation of the transformation process to allow JDIC as a public sector entity to better align its public purpose with its operations and more clearly articulate and appropriately test the value creating proposition and consequent accountability. The previous planning period saw the development of the methodologies at the corporate level. This planning period will continue with the subject matter experts working with the JDIC departmental and unit staff at a more granular level. The intention is that the roll out of this transformative approach allowing for the measurement and reporting on performance and value will take place during the earlier years of the planning period.

INTRODUCTION

The Jamaica Deposit Insurance Corporation (JDIC/the Corporation) is a statutory corporation established under section 3 of the Deposit Insurance Act (DIA). Its principal objects are to establish and manage a Scheme for the insurance of deposits against risk of loss ("The Deposit Insurance Scheme/DIS"). In doing this the Corporation must take all such measures as may be necessary that there is the least possible exposure to loss.

The Corporation's mandate for insuring deposits include providing depositors with prompt access to their deposits up to the prescribed limits, where their deposit taking institutions (DTI) becomes insolvent and facilitating other financial institution resolution options in times of financial institution distress or crisis where financial system stability might be at risk. The overarching public policy objective is for the Corporation to contribute to financial system confidence and stability.

To meet these objectives, the Corporation has powers in specified circumstances to make loans and advances and to act as receiver, liquidator and judicial manager in restructurings relating to banks and their holding companies and subsidiaries. The DIA also mandates the establishment of a Deposit Insurance Fund (DIF,) which the Corporation manages, and from which the expenses of its operations and the conduct of its mandate are charged. The DIF is funded by premiums levied by JDIC on its Member Institutions whose deposits are covered under the DIS. The rationale is the ex-ante build-up of adequate financial resources to deal with a payout of the depositors of small non-systemic insolvent Policyholders, or otherwise facilitate resolutions options for financial institutions where financial system stability is at risk.

Of note, the DIA and other related legislation mandates collaboration and cooperation between the JDIC and other financial system regulatory and supervisory agencies and authorities, including the BOJ, the FSC and the MoFPS, (together referred to as the Financial System Safety Net (FSSN)). The Corporation works with the BOJ in the monitoring and risk assessment of Policyholders (Member Institutions).



This four-year Corporate Plan is developed against the background of JDIC's statutory objects and broader mandate for contributing to financial system stability, as well as the required ongoing reforms to the financial system infrastructure.

BACKGROUND

Just over a decade since the global financial crisis jurisdictions, such as Jamaica, continue to implement reforms to comply with international standards, to minimize the potential for the occurrence and impact of another crisis. The global reform agenda continues in the areas of liquidity, capital adequacy, macro prudential regulations, crisis management and effective resolution frameworks for financial institutions. Reforms to address gaps identified consequent on the enhanced standards include the establishment of: newer deposit protection schemes and protection schemes for non-deposit taking financial institutions, financial consumer protection, financial inclusion strategies, appropriate institutional arrangements among financial safety net partners and cross border arrangements. Likewise, the local economy continues to be characterized by reforms to strengthen resilience and economic growth. These include financial sector reforms to strengthen the FSSN and better align with international standards.

To ensure its mandate is met in, the Corporation remains focused on building its technical competences for depositor protection and resolution management under its strategy for Building Sustainable Human Resource Capacity. In this context, the Corporation awaits MoFPS approval of its Organizational Review Job Evaluation and Recommended Classification and Compensation Report submitted in August 2018.

JDIC remains aware that digital disruption in the financial system will not abate as it continues to create boundless opportunities for firm profitability and economic development, but also significant risk. This is in addition to the classical risks that come from poor management of financial institutions and the ebb and flow of the economic fortunes of a country. Of note a key business strategy for the Corporation is "Leveraging Information and Communication Technology for Operational Efficiency", and focuses on a process of strategic digital transformation over the planning period and into the longer term.

In keeping with international standards of best practice and global reforms the Corporation continued the deployment of its suite of public education and awareness programmes. To ensure increased confidence JDIC must continue to educate the public and consumers of financial services so that they remain aware of the benefits of the regulatory regime and the protections offered. This remains consistent with the growing demand for public bodies to be able to define, create and account for the value it provides to the public. Aspects of the public education programme are done in collaboration with FSSN partners.

Continuing the Transformation - Defining and Creating Value

The corporate planning period commenced with validation of the business strategies, a review and assessment of the enterprise risk and the enabling KPIs for FY2019/20 (Refer Appendix 4). Starting from the previous year, the objective of the planning process was to clarify the methodologies to clearly articulate and test the value creating proposition of the JDIC, as a public sector entity in a regulatory environment. As this is intended to allow for the required transformative effect, the modelling process focused on the departmental and functional levels of the organization and will be further developed during the planning period.

Arising out of the process, it was determined that the *Mission, Vision and Core Values* remained relevant as did the *Business Strategies* pursued in the previous period. As such the Business Strategies for the four-year planning period FY2020/21 - FY2023/24 are:

- (i) Proactive Readiness and Resolution Management**
- (ii) Building Sustainable Human Resource Capacity**
- (iii) Public Education and Awareness**
- (iv) Strong Partnerships**
- (v) Leveraging Information and Communication Technology for Operational Efficiency**

To successfully implement these Business Strategies, the Corporation has identified supporting key initiatives/commitments against which corporate performance will be measured. The key initiatives/commitments can be described as those that are “critical and imperative” and others that are “mission developing and enhancing”. Together with the ongoing



commitments this will allow the Corporation to remain responsive in pursuit of its public policy objective to contribute to confidence and stability in the financial system and protect depositors. These initiatives/commitments are set out in the *Departmental Plans (Appendix 5, 6, 7 and 8)* and include, but are not limited to, its core accountabilities for ensuring the Corporation's compliance with relevant legislation, regulations and guidelines of the responsible Ministry of Government. Key initiatives/commitments are set out in *Table 1* for the four-year period and *Table 2* for the annual reporting period (FY2020/21).



PART A

(Satisfaction of Items 1 and 2 of the First Schedule of the PBMA)

CORPORATE OBJECTS

The corporate objects of the JDIC are broadly specified in section 4 of the Deposit Insurance Act in the following terms:

“The principal objects of the Corporation are to establish and manage a Scheme for the insurance of deposits or parts thereof against risk of loss. In carrying out these objects the Corporation shall take such measures as may be necessary to ensure that there is the least possible exposure of the Corporation to loss.”

These objects form the basis of the Corporation's business strategies for the period of the Corporate Plan and inform the business initiatives that have been identified as paramount in the implementation of the Plan.

The core operations of the Corporation are regulatory in nature consistent with the provisions of the Deposit Insurance Act and are as follows:

❖ Policyholder Monitoring and Risk Assessment

- Management of Policyholders' admission and administration processes
- Policyholders' Monitoring and Risk Assessment
- Economic and Market Analysis, Policy Research and Development
- Deposit Insurance Fund Adequacy Evaluation

❖ Financial Institution Resolution Management

- Financial Institution Resolution Framework Development, Planning and Management
- Maximization of Recoveries from Assets of Failed Policyholders
- Research and Policy Development for Resolution Management

❖ Deposit Insurance Fund Management and Adequacy Assessment

- Treasury Management and Deposit Insurance Fund Management and Adequacy Assessment based on Policyholders' risk
- Contingency Funding

ENVIRONMENTAL SCAN

OVERVIEW

Projection for global growth has declined sharply with world output estimated to be 3.0 per cent for 2019 compared to 3.6 per cent in 2018. At this level, global growth is at its lowest since the global financial crisis in 2008-09 and reflects rising trade tensions and geopolitical tensions as well as country-specific factors such as low productivity. The weakening is observed across both advanced and emerging markets and developing economies. Nonetheless, growth is expected to increase to 3.4 per cent in 2020.

While the Jamaican economy has been performing well under the country's economic reform programme with improvements in major macroeconomic indicators, it is projected that real GDP growth will decline, consistent with global trends in 2020.

Within the context of the dynamic global and domestic economies, the JDIC and other members of the FSSN¹, continue to enhance the regulatory framework for financial institutions. In this vein, the Bill, Credit Unions (Special Provisions) Act² and the proposed legislation to establish a Special Resolution Regime (SRR) for Financial Institutions, i.e., the Bill, Financial Institutions Resolution Act (FIRA) are currently at an advanced stage of completion to further strengthen the financial system. Work will continue with regard to the establishment of compensation schemes for non-deposit taking institutions (Non-DTIs)³, in collaboration with FSC.

The system remained resilient and robust, with each Policyholder being adequately capitalized and solvent relative to key prudential indicators. During the planning period, the Corporation will continue its monitoring of the performance of its Policyholders and the build out of its resolution capacity as it monitors the operating environment to meet

¹ Includes the Ministry of Finance, the Bank of Jamaica, the Financial Services Commission and the Jamaica Deposit Insurance Corporation.

² This will bring the Credit Union Sector under the regulatory ambit of the BOJ.

³ These include life insurance, general insurance and security dealers.

the emerging developments and trends, particularly relating to financial technology and associated risks.

Initiatives will also be pursued to enhance stakeholder engagement, namely with members of the FSSN and Member Institutions, and bolster the public education and awareness programme and promote financial inclusion.

To effectively plan for the ensuing Corporate Planning Period FY2020/21 – FY2023/24, the Corporation conducted an environmental scan to guide an appropriate mix of strategies and policies for the four-year planning period. The results of the scan are presented under the following headings:

- 1. Global Economic Developments and Outlook**
- 2. Regional Developments and Outlook**
- 3. Domestic Economic Developments and Outlook**
- 4. Developments in the Policyholders' Regulatory Environment**
- 5. Other Developments in the Financial Regulatory Environment**
- 6. Additional Developments**
- 7. Policyholders' Performance**
- 8. Deposit Insurance Best Practice, Standards and Trends**
- 9. Implications for the Corporation and Policy Responses**

1. GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

World output is projected to expand by 3.0 per cent for 2019, its lowest rate of growth since the 2008-09 global financial crisis. At this level, global growth reflects a 0.6 percentage point decline relative to 2018. The global slowdown is primarily as a result of rising trade and geopolitical tensions as well as country-specific factors such as low productivity. The slowdown in industrial output has also been cited as a major contributing factor to the decline in projected economic activity. The decline is broad-based, reflected in both Advanced Economies (AEs) as well as Emerging Market and Developing Economies

(EMDEs). It is projected that AEs will expand 1.7 per cent in 2019 compared to 2.3 per cent in 2018 while EMDEs will expand 3.9 per cent in 2019 compared to 4.5 per cent in 2018. Output projections for 2019 for Jamaica's major trading partners all reflect a decline in 2019 relative to 2018 (see table 1).⁴ The IMF projects that in 2020, there will be a slowdown in growth in the United States and China while the United Kingdom and Canada will experience a modest pace of economic expansion.

Table 1: Economic Growth of Jamaica's Major Trading Partners				
2018 – 2024				
	2018	2019P	2020P	2024P
United States	2.9	2.4	2.1	1.6
United Kingdom	1.4	1.2	1.4	1.5
Canada	1.9	1.5	1.8	1.7
China	6.6	6.1	5.8	5.5
P – Projections				

2. REGIONAL DEVELOPMENTS AND OUTLOOK

Against the background of global uncertainty and projected declines in global growth, economic growth for the Caribbean region is expected to be positive in 2019, albeit lower than 2018. The IMF projects a 0.2 per cent growth for the Latin America and the Caribbean region compared to 1.0 per cent in 2018. In addition to the region's exposure to global risks such as political uncertainty and geopolitical tensions, risks also exist in terms of the region's exposure to natural disasters and other weather-related shocks.

2.1 Selected Regional Developments⁵

The Caribbean's regional financial system is highly interconnected with cross-border banking operations and continued expansion among institutions across the region. Jamaica's financial conglomerates such as NCB Financial Group, Sagicor Jamaica and JMMB Financial

⁴ IMF World Economic Outlook, October 2019

⁵ These jurisdictions have established deposit insurance schemes and have trading relationships with Jamaica

Group have controlling interest in operations in, namely, Barbados, the Bahamas and Trinidad and Tobago. Against this background, the Corporation continues to monitor the developments in Caribbean jurisdictions for any potential impact on Jamaica's financial system or the economy. Below is an overview of the performance of selected Caribbean countries which also operate a deposit insurance scheme.

Barbados

During the first six months in 2019, Barbados made progress in the implementation of its recovery and transformation programme. The programme is aimed at rebuilding reserves, strengthening the public finances, reducing public indebtedness, maintaining financial stability and creating an environment for sustainable economic growth.⁶ In October 2018, a four-year extended fund facility was approved and the executive board of the IMF completed its first review of the Barbados' economic reform programme which allowed for the disbursement of SDR 35 million (approximately US\$48.70million). While the Barbados economy has seen improvements in 2019, economic activity remains subdued. The IMF projects real GDP growth of -0.1 per cent for the year with recovery in 2020 to 0.6 per cent.⁷

The Bahamas

In July 2019, preliminary indications were that the Bahamian economy maintained a modest positive growth. In particular, gains were noted for the tourism and construction sectors. In this environment, employment conditions continued to improve as the unemployment rate fell to 9.5 per cent, the lowest rate recorded since 2008.⁸ The IMF in April had projected a 2.1 per cent growth in the Bahamas for 2019. However, in September 2019, hurricane Dorian devastated the Bahamas causing adverse disruption to economic activity. In the near-term, the country will focus on rebuilding and replacing vital infrastructure and providing support for recovery. In September, IMF projected a 0.9 per cent real GDP growth for 2019 and -0.6 per cent in 2020.

⁶ Central Bank of Barbados – Review of Barbados' Economic Performance in the first six months of 2019

⁷ First Review Under the Extended Arrangement and Request for the Completion of the Financing Assurances Review and Modification of Performance Criteria _ June 2019

⁸ The Central Bank of Bahamas, Monthly Economic and Financial Developments, July 2019

Trinidad and Tobago

It is anticipated that Trinidad and Tobago's economy will experience a boost in economic activity from the start-up of the Angelin gas platform in 2019. Non-energy activities are also expected to expand.⁹ The IMF estimates that real GDP growth will be flat at 0.0 per cent for Trinidad and Tobago in 2019, increasing to 1.5 per cent in 2020.

Guyana

In the first half of 2019, Guyana experienced uneven sectoral performances with increases and decreases in output for different sectors. The economy has benefited from increases in agriculture and bauxite mining, as well as increasing construction activity in advance of commercial oil production. Guyana's medium and long-term outlook is very positive as oil production is scheduled to begin in early 2020. The oil sector is expected to grow rapidly, accounting for approximately 40 per cent of GDP by 2024. The IMF projects growth of 4.4 per cent for 2019 and a sharp increase to 85.6 per cent in 2020.¹⁰

3. DOMESTIC ECONOMIC DEVELOPMENTS AND OUTLOOK

The Jamaican economy continued to reflect improved economic conditions under the economic reform program which is geared towards maintaining macroeconomic stability, reducing public debt, addressing structural issues and unlocking Jamaica's growth potential through structural reforms. The programme was supported by a three-year precautionary Stand-by Arrangement (SBA) with the International Monetary Fund (IMF). In September 2019, Jamaica concluded the SBA, having successfully returned to positive growth and stable macroeconomic indicators. The successful implementation of the programme has resulted in the debt to GDP declining to 96.0 per cent, a stable macroeconomic environment with positive economic growth, moderate inflation, single-digit unemployment at 7.8 per cent, strong net international reserves and record levels of business and consumer confidence. The Government of Jamaica projects 0.7 per cent real GDP growth for FY2019/20 and estimated increase to 1.1 per cent in the following financial year. The decline in growth

⁹ Central Bank of Trinidad and Tobago – Economic Bulletin, January 2019

¹⁰ 2019 Article Iv Consultation—Press Release & Staff Report _ July 2019

projection for FY2019/20 is mainly attributable to announced closure of the Alpart alumina plant to facilitate upgrades.

Monetary policy continued to be accommodative and focused on inflation-targeting. The Bank of Jamaica's monetary policy objective is to achieve inflation within the range of 4 to 6 per cent per annum. In this regard, the BOJ reduced its policy rate (the rate paid on overnight deposits held by deposit-taking institutions) four times since the beginning of 2019 from 1.75 per cent in January to 0.50 per cent by September, in an attempt to boost growth. At the end of September 2019, annual inflation was recorded at 3.4 per cent, falling below the targeted range. The Bank estimates that inflation will average 4.3 per cent over the next eight quarters and subsequently move towards the mid-point of the target range in the medium-term.

Table 2 below outlines the Government's projected economic growth out-turns for the periods FY 2020/21 to FY 2022/23.

Table 2: Jamaica's Medium Term Macroeconomic Profile				
	FY2019/20P	FY2020/21P	FY2021/22P	FY2022/23P
Real GDP Growth	0.7	1.1	2.1	2.3
Inflation: Annual Pt to Pt (%)	4.8	4.0	4.3	5.0
Primary Balance(% GDP)	6.5	6.5	6.5	6.5
Current Account (% of GDP)	3.1	2.8	2.5	1.9
Fiscal Balance (% of GDP)	-0.1	0.6	1.1	1.7
Public Debt (% of GDP)	90.9	85.7	80.7	74.0
NIR (US\$ Mn)	2,961.8	3,178.1	3,144.6	3,568.3
Source: GOJ Fiscal Policy Paper FY2019/20 (Interim) - September 2019 P – Projections				

4. DEVELOPMENTS IN THE MEMBER INSTITUTIONS' REGULATORY ENVIRONMENT

4.1 The Banking Services (Capital Adequacy) Regulations

In order to be consistent with the Basel III recommendations, the BOJ had commenced steps to implement the framework. This is scheduled to be completed in three phases. Phase I, which is the Liquidity Coverage Ratio, commenced in October 2019. Phase II is the implementation of a standardized approach to minimum capital requirement, which will

include frameworks for internal capital adequacy process for domestic systemic financial institutions. Phase III is scheduled to commence in 2022, and will involve the imposition of additional capital and liquidity measures, that is capital conservation buffer.

Following its completion, the new proposed regulations will repeal and replace the existing Banking Services (Deposit Taking Institutions) (Capital Adequacy) Regulations, 2015.

4.2 Liquidity Coverage Ratio

In October 2019, the BOJ issued the Standard of Sound Practice on the Liquidity Coverage Ratio (For licensees under the Banking Services Act), benchmarked against the BCBS' global liquidity standards for financial institutions. The primary objective of the Liquidity Coverage Ratio (LCR) is to support and improve the short term resilience of the liquidity profile of financial institutions. The LCR standard aims to ensure that a financial institution has an adequate stock of unencumbered high quality liquid assets (HQLA), consisting of cash or assets that can be converted into cash at little or no loss of value, in private markets, to meet its liquidity needs for a 30 calendar day liquidity stress scenario. Taking into consideration the varying states of readiness of licensees for compliance with the full LCR requirement, BOJ will phase in the LCR over a one-year period which commenced at the end of October 2019. The minimum requirement was set at 75 per cent of the high quality liquid assets in October 2019 and will be increased to 100 per cent as at end October 2020.

4.3 Standard of Sound Practice on Problem Asset Management, Provision Requirements and Accounting for Expected Credit Losses

In January 2019, the BOJ issued guidance to encourage the development of timely and effective work-out plans for problem assets and effective internal controls to manage such assets. The guidance establishes minimum uniform standards to be followed by BOJ licensees: FHC's on a consolidated basis and DTI's on a solo or consolidated basis, where applicable. The guidelines ensure that: (i) assets are regularly evaluated using an objective grading system consistent with regulatory standards, (ii) the prudential treatment for non-performing or problem assets is consistent with regulatory and supervisory requirement, (iii) timely and adequate provisioning and non-accrual criteria

are established to recognize, measure and monitor asset impairment; and (iv) write-offs are applied to accurately reflect the capital and earnings performance of the licensee. Institutions are expected to enhance measures where necessary based on the size, scope, interconnectedness, complexity and state of its asset portfolio. The Guidance became effective on January 1, 2019 and licensees are allowed a 12-month transition period to become compliant with the regime.

4.4 Financial Deepening and Inclusion

Improvements in Jamaica's institutional capacity, policy discipline, and structural measures suggest that there is considerable scope to accelerate financial sector development and to broaden access and inclusion. In 2016, Jamaica developed a National Financial Inclusion Strategy in support of its 2030 Vision - National Development Plan and in 2018 initiatives commenced to advance Jamaica's Financial Deepening Agenda¹¹.

5. OTHER DEVELOPMENTS IN THE FINANCIAL REGULATORY ENVIRONMENT

5.1 Bank of Jamaica (Amendment) Bill

The Bank of Jamaica (Amendment) Bill was tabled in Parliament in October 2018 and is currently being reviewed by a Joint Select Committee of Parliament. The Bill seeks to amend the Bank of Jamaica Act to clarify the mandate of the Central Bank for price and financial system stability and to strengthen its governance framework and entrench its independence.

5.2 Supervisory Rules - The Banking Services (Financial Holding Companies) (Licence Application) Rules

The rules outline the information which must be provided in an application to be licensed as a Financial Holding Companies (FHC) under the BSA. The information required includes the same particulars relevant to applicants for a licence to operate as a DTI and as such covers ownership and group structure, financial resources, strategic plans and

¹¹ A Financial Deepening Implementation Inter-Agency Group was established, including Bank of Jamaica, Development Bank of Jamaica, the Jamaica Stock Exchange and the Financial Services Commission

projections, governance structure, risk management and internal controls, and IT systems, and details of the recovery and resolution strategy and plans. Applicants are required to outline recovery options for entities within the financial group.

5.3 The Bill, Credit Unions (Special Provisions) Act (CUSPA)

In May 2017, the Cabinet submission for the revision of the regulatory framework for credit unions was approved by Cabinet. The proposed Bill will bring the operations of credit unions under the BOJ's prudential supervisory regime. The draft Bill includes: provisions for licensing, capital reserves, prohibited business, remedial and intervention processes and defines the role of specially authorized credit unions.

5.4 The Co-operative Societies Amendment Bill

The amendment to the Co-operatives Societies Act is being made to facilitate financial cooperatives which carry on credit union business applying to the Minister of Finance and the Public Service for a licence.

5.5 The Cooperative Societies (Deferred Shares) Regulations, 2018

The Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF) has proposed The Cooperative Societies (Deferred Shares) Regulations, 2018 which contains provisions pertaining to the issuing of deferred shares by cooperative societies.

5.6 The Bill, Financial Institutions Resolution Act (FIRA)

The FIRA will strengthen the framework for the recovery and orderly resolution of non-viable financial institutions and holding companies to protect the financial system and mitigate against resorting to public funds. This Bill is scheduled to be tabled by December 2020.

5.7 Micro Credit Bill

A Micro Credit Bill was tabled in the House of Representatives in February 2019. The Bill provides for micro credit institutions to be regulated by the Bank of Jamaica. The Bill is intended to ensure that micro credit institutions operate in a regulated environment characterized by transparency and accountability. In addition to a licensing regime, the

Bill also contains provisions for the Consumer Affairs Commission to be the body responsible for protecting the users of these services.

5.8 Government of Jamaica Safeguarding the Financial System

The Government of Jamaica continues to safeguard the financial system by ensuring robust financial measures are in place to mitigate/prevent money laundering schemes and the financing of terrorism. In October 2019, three Bills were tabled and passed during the sitting of the Senate, namely: the Terrorism Prevention (Amendment) Act, 2019; the United Nations (UN) Security Council Resolutions Implementation (Amendment) Act 2019; and the Proceeds of Crime (Amendment) Act (POCA) 2019.

6 ADDITIONAL DEVELOPMENTS

6.1 Recession Concerns

Slowing global growth, the US-China trade war, uncertainties with Brexit, and other factors have led market analysts to speculate on a global recession in the near-term. A global recession could potentially lead to a contraction in the Jamaican economy and reverse the economic expansion experienced over the past six years. However, the financial system is more resilient and the economy as a whole is in a better position to withstand the impacts of a global recession than it was in FY2008/09.

6.2 Fintech

Advancements in the financial landscape away from traditional banking to a technology-based experience has the potential to revolutionize the way banking business is conducted. Likewise, risks may arise if the regulatory environment does not evolve simultaneously. The members of the Financial System Safety Net (FSSN) continue to research and build capacity to address developments in financial technology.

6.3 Safe Banking Act

The United States Lawmakers passed the Safe Banking Act in September 2019, which paves the way for financial institutions and insurance companies to serve state-legal marijuana businesses without fear of federal sanctions. This may eventually lead to local

banks feeling comfortable to work with cannabis-related businesses without facing the threat of de-risking.

7 POLICYHOLDERS' PERFORMANCE

The total number and the sector composition of Policyholders remain unchanged, at the end of September FY2019/20, with eleven (11) institutions: eight (8) commercial banks, two (2) building societies and one (1) merchant bank. There was one name change with MF&G Merchant Bank Ltd. being renamed Cornerstone Trust & Merchant Bank Ltd. One Policyholder introduced six agent banking locations to its operations.

Total Insurable deposits continued to grow, increasing by 10.7 per cent year over year to \$998.9 billion at the end of 2018, based on the annual Survey of Insurable Deposits (the Survey). At the end of December 2018, domestic currency deposit holdings increased to 57.8 per cent, further widening the domestic versus foreign currency deposit holdings.

The banking system has remained resilient and robust, with each Policyholder being adequately capitalized and solvent relative to key prudential indicators. The system's capital adequacy ratio (CAR) decreased from 15.2 per cent at end March 2018 to 14.7 per cent at end March 2019 though still above the regulatory minimum of 10 per cent. Similarly, the primary ratio remained fairly strong and above the regulatory minimum of 6 per cent, ending the financial year 2018/19 (end March) at 9.6 per cent, similar to 9.7 per cent for the corresponding period in 2018. In light of these outturns, there is no indication of an imminent threat to the system's stability from a capital adequacy stance.

Policyholders' loan portfolio grew 16.1 per cent over the financial year 2018/19, while non-performing loans increased by a marginal 1.0 per cent. In that regard, asset quality remained sound with a ratio of past due loans to total loans of 2.4 per cent at the end of the financial year 2018/19, was well below the regulatory maximum of 10 per cent. Provision for loan loss also remained adequate for the level of risk exposure in the system. Additionally, in light of BOJ's accommodative monetary policy, Member Institutions' liquidity levels remained satisfactory.

8 DEPOSIT INSURANCE BEST PRACTICE STANDARDS, DEVELOPMENTS AND TRENDS

Emerging trends and developments in the global economy continue to shape financial markets with implications for regulations, deposit insurance, other financial consumer protection schemes and financial system stability. These developments include the growing complexity, diversification and size of financial conglomerates, accelerating pace at which financial technology is revolutionizing financial services, and increasing expectations of shareholders and financial consumers.

As regulators try to keep apace, evidenced by the comprehensive financial sector reforms that are being pursued to identify and ameliorate the gaps that led to the global financial crisis, and build more resilient financial systems, more work still needs to be done. These include: capacity of jurisdictions and financial institutions to implement reforms; potential implications of regulatory fatigue; resolution of complex financial institutions; legal and cultural constraints impacting cross border information-sharing and resolution; and resource constraints of regulators. Regulators, policymakers, standard setting bodies and financial market participants must keep abreast and be pre-emptive to deal with evolving developments, address challenges and mitigate against unintended consequences that may hamper growth and development.

The Corporation continues to be proactive in its ongoing monitoring of the developments and trends in global and domestic financial systems with focus on policy implications. Its operations are also benchmarked against the guidance and principles issued by international standard setting bodies. Several reforms and initiatives are currently being pursued and/or are scheduled for the planning period by the JDIC and other members of the FSSN (Refer Developments in the Member Institutions' Regulatory Environment) to address emerging developments highlighted below.

8.1 Selected Key International Standards and Supporting Guidance for Sound Financial Systems

8.1.1 IADI Core Principles for Effective Deposit Insurance Systems

The *Core Principles* (CPs) issued by the *IADI*, provides a framework to support effective deposit insurance practices. It provides a comprehensive set of standards for establishing or enhancing deposit insurance systems (DIS). The CPs and their compliance assessment methodology¹² are used by jurisdictions as a benchmark to assess the effectiveness and identify gaps in their deposit insurance systems. IADI also produces documents, research and guidance papers to facilitate the sharing and exchange of expertise, experiences and other information on deposit insurance issues.

8.1.2 FSB Key Attributes of Effective Resolution Regimes for Financial Institutions

The *FSB Key Attributes* set out the core elements necessary for an effective resolution regime to allow authorities to resolve financial institutions (FIs) in an orderly manner without exposing taxpayer to loss, while maintaining continuity of vital economic functions. The FSB has continued work with its members to develop further guidance as needed to achieve the effective and consistent implementation of the KAs and to accommodate different national legal systems, market environments and sector-specific considerations.

8.1.3 Basel Committee on Banking Supervision (BCBS)

The BCBS provides a framework of minimum standards for sound supervisory practices for banks with focus on powers, responsibilities, functions of supervisors and prudential regulations. The BCBS Core Principles sets out the powers that supervisors should have in order to address safety and soundness concerns. The BCBS has set three series of banking regulations referred to as the Basel Accords. The Accords are designed to ensure that

¹² The assessment methodology can be used in multiple contexts: (i) self-assessment; (ii) IMF and World Bank assessments of the quality of deposit insurance systems, for example in the context of the FSAP or Technical Assistance (TA) projects; (iii) peer reviews, for example those conducted within IADI regional committees or through the FSB peer review process; and (iv) reviews conducted by private third parties such as consulting firms.

financial institutions have enough capital on account to meet obligations and absorb unexpected losses. The latest accord is Basel III, which was agreed in November 2010 and updated in 2016 and 2017. Basel III requires banks to have a minimum amount of common equity and a minimum liquidity ratio.

8.2 Emerging Developments and Trends

8.2.1 Promoting Financial Deepening and Financial Inclusion

Financial deepening refers to the increasing provision of financial services allowing for wider choices and easier access for different socio-economic groups. Financial inclusion on the other hand is the push for individuals and businesses to have access to affordable financial products and services that meet their needs (e.g. transactions, payments, savings, credit and insurance) and delivered in a responsible and sustainable way. According to the World Bank¹³, approximately 27 percent (or two billion) adults globally do not have access to formal financial services; most residing in Africa, Latin America, Asia, and the Middle East. The global financial crisis of 2008-2009 exposed the important links among financial inclusion, stability, and financial consumer protection. Financial inclusion also presents opportunities for economic growth. Against this background, governments, multilaterals, and financial institutions are increasingly working to promote financial deepening and inclusion particularly through leveraging financial technology and financial literacy.

8.2.2 Financial Technologies (Fintech)

Emerging financial technology using APIs, distributed ledgers, and crypto-assets are all transforming the financial services, creating opportunities as well as challenges for consumers, service providers and regulators alike.

¹³ The Global Financial Inclusion Database provides 850+ country-level indicators of financial inclusion summarized for all adults and disaggregated by key demographic characteristics. Data presented was last updated April 19, 2018.

8.2.3 Crypto-assets

The crypto-assets¹⁴ phenomenon remains one of uncertainty, requiring continuous monitoring. Following a period of substantial public interest over the last 2 years, the market capitalisation of crypto-assets such as bitcoin, litecoin and ethereum has been volatile. The combined value of crypto-assets is still small relative to the financial system and their linkages to the formal financial sector are limited. However, companies and individuals are also increasingly considering initial coin offerings¹⁵ (ICOs) as a way to raise capital or participate in investment opportunities. These digital assets and the technology behind them present a new and efficient means for carrying out financial transactions¹⁶. However, the industry also poses tremendous risk, requiring proactive and prudent regulation to prevent money laundering and ensure consumer protection¹⁷.

8.2.4 Open Banking

The world is moving towards open banking as players vie to find new ways to deliver new and compelling customer experiences. Open banking refers to the ability of banking customers to access their bank account data as well as authorize third party access to either collect account information or to initiate payments. Some countries, led by the EU, have already taken the lead by creating and passing their own open banking regulation. Others, such as Australia, Canada, New Zealand, Mexico, Argentina, Nigeria, Hong Kong, Japan and Taiwan are also moving in that direction. It is expected that over the coming few years, there will be rapid uptake of open banking approaches and models as people become more aware of the benefits it could bring consumers and small to medium enterprises (SMEs) – the ability to quickly understand their financial position, explore alternatives and make better financial decisions. The challenge facing policy makers and regulators is how to structure an open banking regime that balances the need for

¹⁴ A cryptocurrency is a new form of digital asset based on a network that is distributed across a large number of computers. This decentralized structure allows them to exist outside the control of governments and central authorities.

¹⁵ An Initial Coin Offering (ICO) is the cryptocurrency industry's equivalent to an Initial Public Offering (IPO). ICOs act as a way to raise funds, where a company looking to raise money to create a new coin, app, or service.

¹⁶ The Jamaica Stock Exchange has indicated it is exploring the use of crypto currency for raising capital in a transparent manner to be traded safely through trusted broker members like any other security, and in full compliance with regulations.

¹⁷ The Bank of Jamaica in a press release dated February, 2018 cautioned against the use of virtual currencies (cryptocurrencies) as they are not legal tender in Jamaica.

innovation, information security and privacy, and does not inadvertently create an uneven playing field for both traditional and non-traditional players. Open banking also increases the risk of the security of customer data and cybersecurity.

8.2.5 BigTech Firms

BigTech firms such as Alibaba, Amazon, Facebook, and Google have grown exponentially over the last two decades. BigTechs' entry into financial services holds both promise and uncertainty. These firms use large stocks of their users' personal data which are stored to provide a range of services in real-time and on scales not seen before. Building on the advantages of data, some BigTechs have ventured into financial services; including payments, money management, insurance and lending, which underscores the need for regulations. Although financial services are only a small part of their business globally, their share size and customer reach make BigTechs' entry into finance potentially risky.

8.2.6 Regulatory Technology (RegTech)

Regulatory technology commonly known as RegTech refers to the use of technology to provide improved financial regulatory solutions. As more companies seek to implement the growing range of Fintech solutions, and financial services become more accessible to the general public, companies may find it increasingly challenging to meet ever more stringent regulation levels and are required to place an increasing reliance on RegTech.

8.2.7 Supervisory Technology (SupTech)

SupTech provides an opportunity for the use of innovative technology by regulators including deposit insurers to be more efficient in tackling operational regulatory challenges faced and be more proactive in the monitoring of risk and compliance at financial institutions. Many supervisory agencies and deposit insurers are now looking at automating and streamlining administrative and operational procedures, digitizing

reporting and working tools, and improving data analytics. This also includes the use of distributive ledger technologies¹⁸ to help advance their objectives.

8.2.8 Microfinance Sector (MFS), Branchless Banking and Agency Banking

The growing use microfinance services, branchless and agency banking channels over the coming years is inevitable in most countries. Lack of access to traditional financial services among the poor contributes to the growth of these channels. However, substantial improvements in the regulatory environment for these newer channels are needed as there are notable weaknesses. These include inadequate: licensing regimes; market conduct rules; procedures for adherence to anti-money laundering (AML) and know your customer (KYC) requirements; and consumer protection mechanisms.

8.2.9 Compensation Schemes for Insurance and Securities and Pension Sector

Integrated protection schemes (IPS) have received greater emphasis following the 2008/2009 global financial crisis. Jurisdictions have taken measures to enhance not only depositor protection but also the protection of consumers of other previously unprotected financial products. The United Kingdom, Serbia, Malaysia and Singapore, have all established protection schemes for insurance and securities sectors, having placed the function with the existing deposit insurer. However, there are currently no international principles to guide the development of compensation schemes for the insurance and securities sectors. Where compensation schemes already exist, there is much diversion with regard to: who provides compensation, the methodology for calculating compensation, and what mechanisms exist for challenging any determination as to the amount of compensation payable.

¹⁸ A distributed ledger can be described as a ledger of any transactions or contracts maintained in decentralized form across different locations, eliminating the need of a central authority to keep a check against manipulation.

8.2.10 Sustainable Finance and Climate Change

Sustainable finance¹⁹ incorporates environmental, social, and governance (ESG) principles that are becoming increasingly important for borrowers, lenders, investors and regulators. ESG issues may have material impact on corporate performance and may give rise to financial stability risks via exposure of banks and insurers and large losses from the catastrophic impacts of climate change. The catastrophic impacts are predicted to be felt beyond the traditional horizons. The Paris Agreement of 2016 marked an historic turning point, as world leaders signed an accord that has commitments aimed at curbing climate change. The interest in this and other ESG factors continues to rise as the unintended consequences of climate change and other ESG issues are likely to have an adverse impact on credit, market, operational, legal, and reputational risks faced by banks and insurance companies. This could also lead to financial instability. Against this background, policymakers and regulators should play a role in developing standards, and fostering disclosure and transparency, to promote sustainable finance.

8.2.11 Effective Resolution Regimes and Policies

The FSB, IADI, other standard setting bodies and international agencies continue to urge regulatory and supervisory bodies to promote the timely, full and consistent implementation of remaining financial sector reforms particularly relating to resolution frameworks, depositor and investor protection arrangements and other crisis preparedness initiatives. According to the FSB, much work has been done to implement post-crisis reforms, but there is still much to be done to strengthen legal and institutional arrangements for effective resolution regimes.

As jurisdictions seek to develop special resolution regimes for financial institutions and align their frameworks with the FSB KAs, these standards need to be adapted when applied to small and emerging banking markets. These jurisdictions must take into account *inter alia* factors such as the size of banks, concentration, the nature of loss

¹⁹ Sustainable finance is defined as the incorporation of environmental, social, and governance (ESG) principles into business decisions, economic development, and investment strategies.

absorbency and available funding options as well as the complexities of ensuring that bail-in strategies can be implemented. It is also recognized that deposit insurance may be a key element of resolution funding in such markets. Frameworks for cross-border cooperation between authorities should be enhanced in order to build trust, allow for the sharing of information, and preserve open and integrated regional and global financial systems. The risks of ring-fencing and its potential adverse impact for recoveries, if widespread, on the resilience of cross-border banking groups remain an issue.

As implementation progresses, authorities should ensure: a wide range of resolution powers (i.e. bail-in, purchase and assumption, bridge bank and asset management vehicles); roles of the authorities involved in resolution are transparent; shareholder and other stakeholders are sufficiently informed; and the relevant knowledge and skills of regulatory staff are developed and maintained. It is also important to evaluate whether the reforms are achieving their intended outcomes, identify any material unintended consequences, and address these without compromising on the objectives of those reforms. This will support a level playing field and avoid regulatory arbitrage.

8.2.12 Crisis Management

Financial safety-net authorities also continue to pursue other preparatory strategies to respond promptly, decisively and effectively should a system-wide financial crisis materialises. However effective crisis preparedness and management poses different challenges depending on the size of a country's banks and the nature of its financial markets. It is therefore important to ensure advance preparation, comprehensive tools and powers are available, sufficient funds, as well as effective coordination mechanisms among FSSN partners. Recovery and Resolution Plans must be assessed in the context of supervisory reviews and resolvability assessments. Crisis management groups must be established and operationalized.

Banks, supervisors and deposit insurers have been adopting playbooks and conducting ongoing stress tests, desk top exercises and simulations in normal times to help provide

clarity, and test recovery and resolution plans. Although detailed planning cannot cover all eventualities, it can help improve authorities' preparedness and ability to react and coordinate in a crisis.

9 IMPLICATIONS FOR THE CORPORATION AND POLICY RESPONSES

Given the foregoing developments and trends in the global and domestic economies and the financial regulatory environment, during the FY2019/20 - FY2023/24 planning period the Corporation will focus on the following:

- I. Implementation of organizational review model, structure and reclassification and pension scheme to achieve sustainable human resource capacity facilitating optimal hiring, retention and succession policies and practices.
- II. Develop the Corporation's research capacity to assess the implications for depositor protection, financial stability, and ensure timely and appropriate policy responses by conducting:
 - a. Robust monitoring to keep abreast of the emerging developments in the domestic and global financial services sector.
 - b. Ongoing reviews of the development of Member Institutions product offerings, new payment channels such as mobile money, digital currencies, agent and branchless banking and the evolving FinTech sector to determine the eligibility of the products offered through these services for deposit insurance, adequacy of existing scope of coverage, the potential exposure for the Corporation and appropriate safeguards.
 - c. Comprehensive analysis of policy proposals, regulatory reforms, legislation, supervisory rules and guidance issued by BOJ, FSC and other agencies.
- III. Improve the ICT infrastructure and leverage technology including the use of data analytics tools to strengthen the Corporation's operating efficiencies relating to:

- a. Strategic decision making
 - b. The core functions of Member Institutions' risk assessment; resolvability assessments, recovery and resolution planning, other crisis preparedness initiatives and ongoing monitoring of Member Institutions compliance requirements
 - c. Digitizing the depositor reimbursement processes to reduce the timeline to seven (7) days (or less) consistent with the IADI Core Principles.
 - d. Stakeholder communications and public education
 - e. Mitigating against the risk of cyber security
- IV. Enhance the Policyholder Risk Assessment Framework and supporting procedures and information systems, to improve the tools for monitoring Policyholders' performance and to include the assessment and monitoring of credit unions.
- V. Continue to build out/ operationalize the Corporation's resolution capacity to act as deposit insurer, receiver, liquidator and judicial manager to include the development of rules, guidelines, policies procedures and systems and inform decisions relating to the use of the DIF and least cost resolution strategies.
- VI. Continue to improve the public education programme among all stakeholders (member institutions, other financial service providers, depositors and the general public) to manage stakeholder expectations and increase the level, reach and impact of:
- a. Deposit insurance awareness;
 - b. Awareness and transparency of the JDIC's role in resolution; and
 - c. Promote financial literacy and financial inclusion.
- VII. Strengthen engagement and communication with Member Institutions.



- VIII. Continue to develop the Corporation's legal and operational frameworks, collaborate with other FSSN members, acquire the required resources and hone staff skills to prepare for and effectively carry out the functions relating to the following:
- a. Admission of credit unions to the DIS.
 - b. JDIC acting as Resolution Administrator and managing a Resolution Fund for DTIs and Non DTIs as per the provisions in the FIRA Bill.
 - c. Establishment of proposed compensation schemes for the Non-DTI sub-sectors. Policy proposals are being developed in collaboration with the FSC.
- IX. Enhance the scope and modalities for collaboration, coordination and information sharing with other FSSN partners through channels such as:
- a. Leveraging the CEO's membership in the FRC and FSSC, and officers' participation on technical working groups;
 - b. Establishing service level agreements;
 - c. Participating in the initiative to strengthen the IT platform for supervisory data sharing and regulatory collaboration
 - d. Providing technical input to build out the FRC Inter Agency Crisis Management Plan including participating in multi-agency crisis simulation exercises and other crisis preparedness initiatives.
- X. Continue ongoing assessments of compliance with the IADI Core Principles, FSB Key Attributes and other international best practices and implement strategies to address gaps.
- XI. Continue collaborations and leverage of subject matter expertise and technical assistance with the IADI and other international standard setting bodies and organizations to advance the mandate and operations of the Corporation, promote sound deposit insurance practices and develop staff skills.

SWOT ANALYSIS

The Corporation conducts ongoing assessments of its SWOT Analysis. For this corporate planning period, the following were identified:

STRENGTHS

- **Governance** – The Corporation has implemented an effective governance structure consistent with laws, GOJ guidelines and other best practices governing its: Board of Directors; management structure; and operations. These laws, guidelines and best practices include: the *Deposit Insurance Act*; the *Public Bodies Management and Accountability Act*; the *Financial Administration and Audit Act*; the *GOJ's Corporate Governance Framework*; and the *BOJ's Standard of Best Practice for Effective Corporate Governance of Deposit-Taking Institutions*. The Corporation also incorporates international best practice standards as are appropriate. This provides the framework for and facilitates effective oversight, prudent management and compliance to ensure the Corporation's successful delivery of its mandate.
- **Human Resource Capabilities and Strategies** – Key members of staff possess the requisite knowledge, experience and skills to execute the Corporation's mandate. In addition, through the Corporation's collaboration with other deposit insurers and international agencies involved in the regulation and resolution of financial institutions, there is ongoing exchange of expertise, training and development of team members. To ensure that capacity is sustained into the future, the Corporation will continue to focus on discrete initiatives to enhance the process for recruitment, training, retention and succession planning
- **Resolution Powers** – The Corporation's mandate and powers are not limited to reimbursement of insured deposits (that is, payout consequent to liquidation). The Corporation may also act as receiver, liquidator or judicial manager of a member institution or of its holding company or subsidiary which becomes insolvent²⁰. In acting in such capacity the Corporation may arrange for *inter alia*: purchase and assumption; mergers and acquisitions and open bank assistance transactions. These resolution options provide the Corporation with the suite of powers to protect depositors and participate in the resolution of a distressed member institution at a

²⁰ DIA Section 5(2)

lesser cost than otherwise expected in the payout of insured depositors. Work in collaboration with the other FSSN partners to enhance the resolution framework for financial institutions and the Corporation's capacity to carry out its roles and responsibilities within the framework in line with international best practice standards has commenced and will continue in the planning period. This will strengthen the financial institutions resolution framework for the country and potentially lower the impact and costs of financial institutions' failures.

- **ICT Infrastructure** – A robust and secure ICT infrastructure is in place which can support planned business development needs. The ICT infrastructure is reviewed on an ongoing basis to ensure that the software and network remains relevant and effective. The Corporation also maintains a remote warm site that hosts its servers and serves as a backup system for business continuity purposes.

WEAKNESSES

- **Staff Recruitment and Retention** – The process of attracting, selecting and retaining highly skilled staff to effectively carry out the functions required for the specialized nature of deposit insurance and financial system regulation and resolutions continues to be a vulnerability for the Corporation. Research shows that levels of emoluments are generally significantly below the market. During the previous year, the review of the organizational model and structure, job evaluation and reclassification/compensation exercise was completed and recommendations submitted to the Ministry for approval. This is intended to address the structural and normative impediments to staff engagement and retention. Implementation of an appropriate pension scheme arrangement to attract and retain staff will be finalized.
- **Staffing and Other Resources in a Financial Crisis** – The Corporation's business model is to operate with a core staff complement and source additional technical support staff with the required expertise, experience and competency levels, in a very short timeframe, to address crisis periods. This may create challenges. In addition to its core staff, the Corporation continues to develop its pool of external and outsourced resources including continued interface with its overseas and multilateral partners in the areas of financial system risk and crisis resolution management to have ready access to required technical support when the need arises.

- **Enterprise Risk Management** – To fill any emerging gaps in the Corporation's governance structure, an appropriately benchmarked Enterprise Risk Management (ERM) framework is required. Whereas the Board of Directors has approved the ERM Policy and Framework, the process of implementation of a formal ERM framework in keeping with sound corporate governance and international best practices is well advanced and expected to be completed in FY2020/2021.
- **Automated Policyholders' Risk Assessment System** – The absence of a fully automated system to support the Corporation's Policyholders' Risk Assessment Framework (PRAF) impacts the robust and timely assessment of Policyholders' financial data. This impact will be more significant with the admission of credit unions to the DIS and the consequent increase in the number of Policyholders. The Corporation will continue discussion with the BOJ to determine the feasibility of shared services for its recently implemented *Jamaica Financial Reporting Information Management System* (JAM-FIRMS). Concurrently, the Corporation will continue to conduct market research to identify a business analytics software to automate on-going risk assessment and monitoring of Policyholders. In the interim further enhancements will be applied to the existing system and procedures to ensure the seamless admission of the credit union sector.
- **Automated Payout Management Information System** – The payout processing activities to determine the insured deposits/potential liabilities of a member institution for resolution planning are not fully automated and may impact the timely reimbursement of depositors and financial system stability consequent to the failure of a Policyholder. The phased implementation plan for a fully automated payout system is scheduled for completion during the planning period. As a contingency the Corporation had developed an Interim Payout management system which it will keep tested during the planning period and continue to rely on as a backup measure when the PMIS is fully implemented.
- **Financial Crisis Management and Resolution Preparedness** – Given the stability in the financial system and resilience of Policyholders, the Corporation has not been required to resolve a Policyholder since its inception. The Corporation continues to conduct annual simulation and training exercises to test and enhance its payout and resolution policies, procedures and systems, including through collaborations with other members of the FSSN to build and

enhance its capacity. For these purposes, the Corporation will continue to leverage the appropriate subject matter expertise.

- **Public Education and Awareness** – The Corporation has in place a comprehensive and sustained public education and awareness programme, consistent with the recommendations of the IADI/BCBS Core Principle 10. Additionally, there is a public education and awareness plan in place for the admission of credit unions to the DIS. However, the level of awareness of the DIS has not shown an increase over the last five years (remains at 48 percent in 2017²¹, although awareness of the JDIC is at 67 percent). During the planning period, the Corporation will revamp the public education and awareness programme in an effort to maximise its reach and impact.
- **Disaster Preparedness and Business Continuity** – The Disaster Preparedness and Business Continuity Plan (DPBCP) requires full operationalization. The disaster preparedness and business continuity operations are now focused on the efficient operation of an external data centre to ensure continuity of core functions in the event of a disaster. During the planning period the DPBCP will be reviewed and fully operationalized.

OPPORTUNITIES

- **Supportive Policy Directorate** – The relevant authorities support the mandate of the Corporation. This is critical going forward as the Corporation seeks necessary reforms to strengthen its mandate and powers to proactively respond to the changes in its operating environment.
- **Banking Regulation and Supervision** – Jamaica continues the pursuit of several initiatives towards significantly reforming its financial sector under its economic reform programme. The FSSN partners' ongoing initiatives to put in place prudential standards and conduct robust supervision in line with international best practices will seek to *inter alia*, improve the regulatory and supervisory framework for the entire financial sector. The consequent resilience of the financial system supports the mandate of the Corporation for protecting depositors and contributing to financial system confidence and stability.

²¹ IADI 2016 Survey indicates this trend particularly for jurisdictions where there are no financial crises awareness is generally below 50 percent (e.g. CDIC Canada established in 1967 has awareness of 48 percent). There is no available survey data for other DIs in the Caribbean.

- **Principles Recommended by International Standard Setting Bodies** – Subscription to the principles recommended by international standard setting bodies, namely the IADI *Core Principles for Effective Deposit Insurance Systems* and the FSB *Key Attributes of Effective Resolution Regimes for Financial Institutions (Key Attributes)* serve as a benchmark against which the Corporation continues to assess and implement strategies to ensure it satisfies its public policy objectives and other performance standards. Key initiatives are being pursued by the Corporation and in some instances in collaboration with the other FSSN partners to better align the Corporation's operations with these international best practice standards. This includes the implementation of the SRR benchmarked against the FSB's *Key Attributes*.
- **Strategic Partnerships** – Strong partnership through the Corporation's membership in the IADI and interactions with other standard setting bodies and multilateral agencies provide an opportunity for cross-border collaboration; synergistic enhancements to the deposit protection scheme; access to a pool of subject matter experts to hone the skills of staff and build institutional knowledge. The Corporation: is a signatory to an MOU among the members of the IADI Caribbean Regional Committee which serves to further strengthen regional collaboration, is an active member of IADI sub-committees that prepare research and guidance papers, provides technical support to other deposit insurance organizations (DIOs); and is a member of the CARICOM working group to develop proposals for a Deposit Protection Model for the Region.
- **Domestic Market Developments** – The general improvements in economic conditions and Policyholders' operating environment present an opportunity for Policyholders to further enhance their performance. While we note that this may bring its own slate of risks, there is a reduction in the Corporation's likelihood of having to resolve a Policyholder with appropriate enhanced monitoring. Further growth of the DIF is expected in light of improving macroeconomic outturns. This should provide the opportunity for the Corporation to continue to improve its capacity to resolve a Policyholder.
- **Collaboration with Financial System Safety Net Partners and Policyholders** – Several initiatives are currently being pursued that provide an opportunity to enhance the collaboration among the FSSN partners. The JDIC CEO is a member of the statutory FRC and the FSSC. Through the FRC and the FSSC there continues to be effective information sharing and collaboration of the FSSN partners. An FRC MOU has now been established to ensure consistency with its statutory

mandate. The JDIC is a member of the National Financial Inclusion Council and its technical working group for consumer protection and financial literacy.

Each member of the FSSN has developed an agency specific *Financial Crisis Management Plan* (FCMP) and under the auspices of the FRC, the NFCMP was also developed. Other key inter-agency initiatives include the work towards the promulgation of legislation for a special resolution regime for financial institutions and the development of a national financial inclusion strategy (NFIS). The Corporation will also use its membership on the NFIS Council (*Consumer Protection and Financial Capability pillar*) to support its public education and awareness strategy.

Technological Innovation – Technological innovation provides an opportunity to improve the Corporation's business processes and strengthen the engagement with Policyholders and other stakeholders. Against this background, the ICT infrastructure is reviewed on an on-going basis to ensure that the hardware, software and network remain relevant and effective in keeping with technological advancements in the industry.

THREATS

- **Policyholders' Business Environment** – The rapidly changing legal and operating Policyholders' environment such as the dynamic nature of developments in banking operations relating to technological advancement; intensified competition; the interconnectivity (domestic and cross border) of financial institutions; and an enhanced regulatory environment may impact the Corporation's proactive readiness strategy. Further, developments in the global market place include: de-risking, the full impact of Brexit and Shadow Banking²². This vulnerability is magnified when the regular banking system has material exposures or connections to these activities.

The Corporation researches and monitors trends and banking practices which might increase banking system and financial system risk that may impact its operations and ensures the necessary laws, policies, procedures and systems are in place.

²² Financial Stability Board (FSB) Regional Consultative Group for the Americas, Report on Shadow Banking in the Americas – August 2014.



- **JDIC and Policyholders' ICT Resource Compatibility** – Policyholders may not maintain the requisite customer records and implement the necessary procedures and systems to facilitate the accurate determination of depositor insurance payments and prompt reimbursements. Projects which are currently ongoing such as the *Policyholders' Record-keeping Guidelines* and the supporting compliance framework; the Payout Management Information System (PMIS); and consideration to promulgate Regulations for record-keeping requirements will address these issues.
- **Cyber Security Risk** – The accelerating pace of technological change has been described as the most creative force and also one of the most destructive in the financial services ecosystem²³. Cyber security risk is one of the top risks facing financial institutions, corporates and individuals. This occurs because of the rapidly evolving sophisticated and complex technologies, cross border data exchanges and increased use of data technology. Cognizant of this, the use of technology and its implications are not limited to financial institutions, as regulators and deposit insurers must seek to adopt a wide range of data gathering and analytical tools in order to monitor the industry more effectively and to predict potential problems before they occur. The JDIC will continue its ongoing review of its own internal data management infrastructure to ensure security issues are proactively identified and addressed. The JDIC will also leverage the GOJ National Cyber Security Strategy and mechanisms for addressing cyber security risks.

²³ <https://www.pwc.com/gx/en/industries/financial-services/publications/financial-services-technology-2020-and-beyond-embracing-disruption.html>

PLANNING ASSUMPTIONS

In preparing the Corporation's 4-year strategic plan, several key underlying assumptions were made taking into account the following: developments in the global and domestic economies; deposit insurance and other financial system best practice standards and evolving trends; developments in the Member Institutions' regulatory and operating environment; and the Corporation's operations during the prior period. The following are the key assumptions:

1. STATUTORY OBJECTS

The statutory objects of the Corporation are to establish and manage a scheme for the insurance of deposits or parts thereof against the risk of loss. The mandate and powers of the Corporation will be further expanded and strengthened to better align with the underlying public policy imperatives to protect depositors and contribute to financial system confidence and stability. The existing membership and coverage under the DIS will be expanded to include the credit union sector, while the role and powers of the JDIC will be enhanced with the passing of key legislation. The proposed development and implementation of compensation schemes for the Non-DTI sector (insurance and securities), will also impact the Corporation's statutory obligations, mandate and powers, as it will be required to provide protection to other financial consumers.

2. LEGISLATIVE ENHANCEMENTS

The Corporation remains integral to the preservation of financial system confidence and stability, and the development of a more robust monitoring and resolution framework. Accordingly, legislative review will continue in order to strengthen and support its expanding role and operations, which will result in submissions for amendments to the DIA and the promulgation of relevant regulations. Additionally, there will be consequential amendments to the DIA to ensure consistency with the BSA, the Bill, Credit Unions (Special Provisions) Act and the proposed Bill, Financial Institutions Resolution Act (FIRA).

3. REGULATORY AND SUPERVISORY SYSTEM

Continued enhancement of the financial system regulatory framework will remain a priority for GOJ to bolster financial system soundness and public confidence. The GOJ has been pursuing several initiatives to improve the regulatory and supervisory framework for the financial sector consistent with its on-going economic reform programme. Key legislative reforms and guidance being proposed by the BOJ, FSC and the JDIC to strengthen the regulatory framework for DTIs and Non-DTIs, including clarifying respective mandates and roles, are expected to be passed and implemented.

4. DESIGN OF THE DEPOSIT INSURANCE SCHEME (DIS)

The ongoing review of the key design features of the DIS to align with emerging public policy imperatives, recommended standards and guidance issued by the IADI Core Principles, the FSB Key Attributes and the BCBS will remain critical to keep apace of the dynamic evolution in financial markets and digitization of financial services. Design features of the DIS include: the categories of membership; levels of coverage; funding (premium structure and fund management); and resolution tools and powers, to ensure that existing public policy objectives are achieved and new ones identified and effected. These are critical considerations in finalizing the proposed design features for the admission of credit unions to the DIS.

5. MACRO-ECONOMIC IMPACT ON POLICYHOLDERS

The domestic economy continues to improve, evidenced by reduced debt burden, high business and consumer confidence, low unemployment, positive GDP growth, and low and stable inflation. With these positive indicators, macroeconomic condition is expected to be sustainable. Consistent with the performance of the economy, it is projected that the prudential out-turns and resilience of Policyholders and FHCs will continue to be bolstered. This is supported by the key regulatory benchmarks, such as capital adequacy, profitability, liquidity, solvency and asset quality, remaining above regulatory requirements. Against this background, it is anticipated that the insurable deposit base will increase consistent with the performance of MIs. Notwithstanding, the slowdown in global economies primarily due to rising trade and geopolitical tensions as well as country-specific factors such as low productivity, could adversely impact the local economy

6. MEMBERSHIP ADMISSION FRAMEWORK

The current membership of the DIS is eleven (11), consisting of 8 commercial banks, 2 building societies, and 1 merchant bank. With the imminent passing of the CUSPA, membership in the DIS is expected to increase to at least 31. The Corporation, in principle, reached an agreement with the Jamaica Cooperative Credit Union League for the acceptance of the specific design features for the sector to the DIS, subject to the approval of the Minister of Finance. These design features include scope of coverage, coverage limit and the premium assessment rates.

7. RESOLUTION AND CRISIS PREPAREDNESS

Notwithstanding, the positive economic developments, robust regulatory framework, and resilience of MIs, the MIs remain vulnerable to certain risks. The Corporation will continue to strengthen its framework for: monitoring Member Institutions' risk to the DIF; and acting as deposit insurer, receiver, liquidator and judicial manager, in order to prepare for, and respond appropriately to, any changes in the performance of MIs and manage a financial crisis in collaboration with the BOJ, should this arise.

8. DEPOSIT INSURANCE FUND MANAGEMENT AND ADEQUACY

The Fund management objectives²⁴ will remain. These include the preservation of capital and the maintenance of adequate liquidity based on the assessed risk of the MIs and the Corporation's operating and capital expenditures. Changes in Fund management strategies will be determined by market conditions, Government policy, coverage and premium structures, as well as the respective timetables for expanded membership.

The Fund is projected to grow at an annual rate of approximately 11 percent over the planning period in light of the projected low and declining trend in interest rates on the Corporation's investment portfolio over the medium to long-term; positive but declining growth in the annual premium income; a one off significant capital expense for the purchase of an office building; and no resolution expenses given the projected favourable performance of the MIs. Against the background of the expected modest growth in the Fund and annual insured deposits, the lower

²⁴ The Fund management objectives are stated in the DIA and the Corporation's Investment Policy.

limit of the target DIF reserve ratio²⁵ (8 per cent) is forecasted to be attained in FY2027/28. Consistent with international best practice, the Corporation will continue to pursue contingency funding options with the cooperation and support of multilateral funding agencies, through the MoFPS. The Corporation will maintain its proactive readiness strategies to ensure its ability to deal with any resolution activities, should the need arise.

9. ADMINISTRATION AND HUMAN RESOURCE MANAGEMENT

With the increased membership profile, the Corporation will engage additional staff and acquire other resources to conduct the on-going monitoring and risk assessment and enhanced resolution preparedness of Member Institutions to ensure their compliance with the DIA, and no risk to the Fund.

Given the above, in order to recruit, retain and effectively plan for succession, approval of the Job Evaluation and Reclassification recommendations by the MoFPS is anticipated. These recommendations are consistent with the Corporation's strategy of Building Sustainable Human Resource Capacity. The achievement of this strategy also hinges on the acquisition of additional space, to appropriately accommodate the projected increase in the staff complement, arising from the increased membership profile and consistent with occupational health and safety standards

²⁵ The range for the target DIF reserve ratio is 8 to 10 per cent.

ENVIRONMENTAL MANAGEMENT

The benefits of an Environmental Management System (EMS) include ultimate cost savings by implementing measures to avoid or minimise environmental impacts; optimisation of operations to reduce the quantity and quality of waste generated, including opportunities for recycling; and optimal water and energy use or energy and water consumption.

Environmental management remains a priority for the Corporation and there is a requirement for all stakeholders to be committed to protecting the environment by undertaking initiatives to promote greater environmental responsibility and the development of eco-efficient solutions.

ENVIRONMENTAL MANAGEMENT SYSTEM

EMS refers to the management of an organization's environmental programme in a comprehensive, systematic, planned and documented manner. The Corporation seeks to adhere to environmental protection best practice standards. This will contribute to a sustainable environment and energy savings.

EMS is beneficial to the Corporation, as it:

1. Reduces environmental incidents
2. Enables a more focussed, motivated and knowledgeable staff
3. Promotes occupational health and safety
4. Reduces waste
5. Allows for lower expenses and
6. Reduces the cost of work inputs

Given the forgoing, the Corporation's Board, Management and Staff are committed to exercising proper environmental and climate change management practices as an integral part of its operations and will develop strategies to minimise pollution in

compliance with environmental protection regulations. The Corporation also has in place policies and procedures to eliminate waste and omissions, prevent pollution, maximise the efficiency and productivity of its resources and minimize practices that might adversely affect the enjoyment of the environment by current and future generations.

The Finance, Funds and Asset Management Department (FFAM) has been charged with the responsibility for coordinating environmental management activities and maintaining the established standards. To effectively monitor the system, FFAM will rely on each staff member to report on issues encountered during use of the facilities and to make recommendations in improving the environment. In addition, steps are taken to monitor safety and environmental conditions on a daily basis and efforts made to mitigate risk either internally or using external contractors. Procedures are also in place to ensure effective and timely communication of environmentally related information within the Corporation. There is also focus on environmental impact and the ways they can be minimized. The Corporation has taken the following actions in its continuing process of environmental management:

- Improved procurement practices to ensure that purchases meet the required standards with more efficient utilisation, reduced waste and are environmentally friendly;
- Effective planning for future growth to have an insight into environmental impact;
- Encourages the efficient use of electricity and water;
- Constant monitoring of air quality including quarterly maintenance of the air conditioning systems; periodic cleaning of the air conditioning ducts; the maintaining of plants in the building; installation of extractor systems in the photocopy and printer rooms and areas throughout the building for the removal of fumes and minute particles in the atmosphere;
- Implementation of steps to reduce paper usage which include: (a) use of laptops in meetings (b) greater use of emails for internal and external

communication (c) increased use of soft copy of documents and printing only where necessary (d) scanning of documents for later use, printing in draft and margin adjustments for page reduction and (e) double sided printing where appropriate;

- Font adjustment to reduce the cost of printing;
- Use of soft copies and copies on flash drives instead of hard copies for Annual Reports and other reporting;
- Provision of old newspapers and shredded paper to charity organisations for use in recycle projects;
- Liaising with regulatory and environmental agencies to ensure that all environmental standards are being maintained;
- Storage of chemicals for cleaning and janitorial services in secure and isolated areas;
- Efficient solid waste management. Garbage is removed from the building daily and stored in a central area and collection service is efficiently carried out twice weekly;
- Used plastic containers are stored and disposed of separately to plastic waste collectors;
- Water and electricity consumption are reviewed and recorded monthly and conservation measures pursued;
- Control of rodents with the maintenance of bait stations;
- Maintenance contracts are in place and machinery and equipment are serviced on a regular basis;
- Running the centralised air conditioning units at the optimum temperature level with the most convenient run times;
- Insulation of air-conditioned pipes and maintenance contract in place for quarterly servicing;
- The maintenance of the LED lighting infrastructure, which allows for more energy efficiency and longer usage of lighting fixtures.

In addition to maintaining the activities listed above, it is envisaged that over the planning period the following will be addressed, subject to any relocation plans:

- Additional energy conservation measures will be implemented to increase conservation and cost savings which include the conversion of the air conditioning system to an *inverter* type system. Inverter systems currently operate in the canteen area and the server room;
- Conversion of the energy requirements utilising solar technology;
- More efficient use of printing, paper usage and utilities management;
- Review of air quality measures to ensure a good working environment;
- Travelling will be pooled where convenient and the promotion of technology in order to reduce travel.

The Corporation will continue to monitor the enhancement to general environmental management and liaise with the MoFPS and other Government regulatory agencies such as, the National Environment and Planning Agency, Ministries responsible for Health and the Environment and other related agencies to gain greater awareness of the current environmental considerations and practices. The Corporation's policies and procedures will be reviewed periodically and enhanced measures put in place, where necessary. In addition, the Corporation will seek to obtain ISO certification for the EMS through the Bureau of Standards.

INTEGRATING ENTERPRISE RISK MANAGEMENT WITH THE STRATEGIC OBJECTIVES

The Corporation acknowledges that its business risks can be best managed using an integrated and holistic approach, within an ERM programme that is owned and coordinated by the Executive Management Team, aligned to the strategic objectives of the JDIC, integrated into the managerial and formal reporting process and embedded within the JDIC's culture.

During FY2018/19 the Corporation with the assistance of a consulting firm completed a full cycle of ERM activities that resulted in the development of a Board approved Enterprise Risk Management Policy and Framework (the Framework). The Framework provides the JDIC with a systematic way to deal with business uncertainty and the associated risks and opportunities. By utilizing disciplined risk management and compliance, the JDIC will manage its unexpected outcomes and reduce the impact of risks events if or when they occur. Further, the Framework is geared to achieve the Corporation's objectives as they relate to strategy; operations; reporting and compliance and financial management.

The Corporation's 'Risk Universe' encompasses all business risks faced by the JDIC (that is risks affecting all of the JDIC's objectives), and these include the following: Strategic Risk; Reputational Risk; Operational Risk; Compliance Risk; and Financial Risk. The two primary variables used to determine how the risks are rated are "impact" and "likelihood". Events assessed to have the most adverse impact and which are very likely to occur are assigned the highest possible rating for a risk being 'Very High'. The other ratings in order of priority are High, Moderate, and Low. The Risk Map below illustrates this concept further.

Based on the assessment of the above risk categories, Management and Board has concluded that the Corporation's overarching risk appetite statement is ***"JDIC has a low risk appetite for strategic, reputational, financial (market, liquidity, credit) and compliance risks and a low to moderate appetite for operational risks"***.

Risk Responses and Timeliness

Risk responses (action plans) are required to reduce risk exposures that are outside of JDIC's risk appetite. The higher the rating of a risk, the quicker JDIC will address the risk.



- Very High Risk - immediate action is required by management and a detailed status of the proposed risk response and the related corrective actions will be reported at each sitting of the relevant management and Board level risk Committees.
- High Risk - action is required by management within three months and a detailed status of the proposed risk treatments will be reported at each sitting of the relevant management and Board level risk Committees.
- Moderate Risk - The risk response and the related corrective actions should be implemented within 6 to 12 months by management. A detailed status of the proposed risk response will be reported at each sitting of the relevant management and Board level risk Committees.
- Low risk - No action required. The risk will be monitored on an ongoing basis by management.

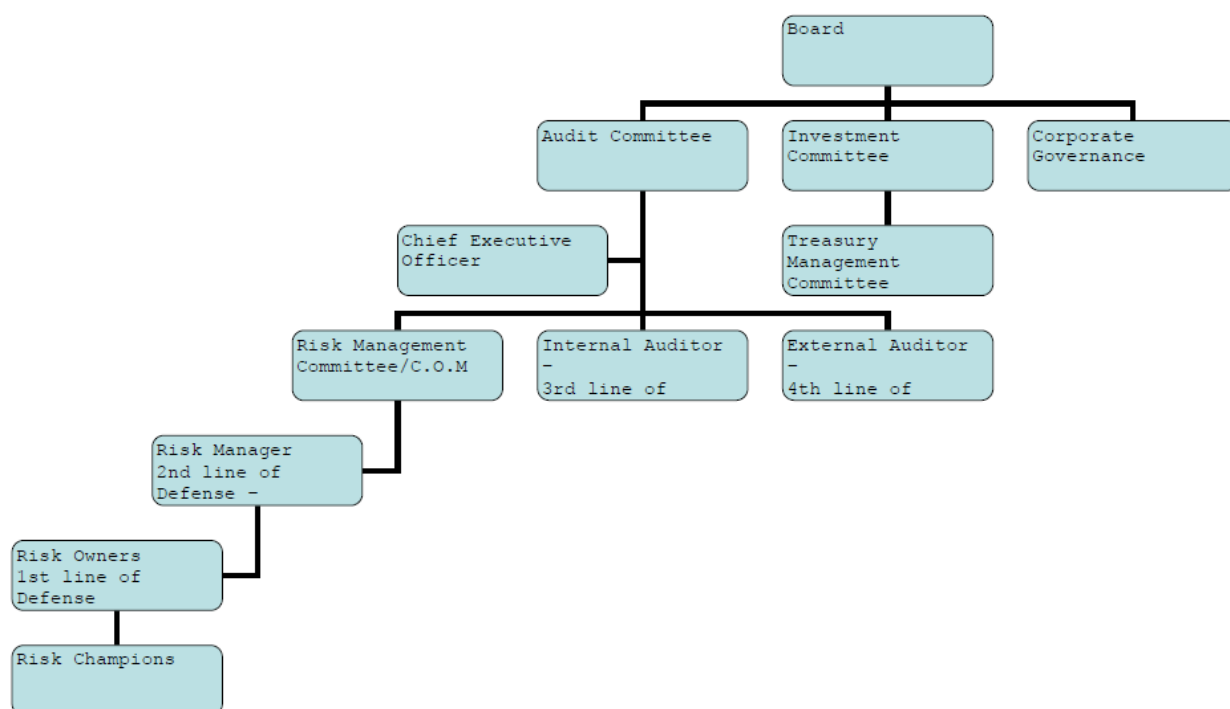
Generally, JDIC expects risk exposures beyond its risk appetite to be addressed using one or more corrective actions that seek to either mitigate, prevent, avoid, transfer or accept the risk.

Based on the JDIC's Risk Assessment Report from the Corporation's operational and strategic risk assessment exercise, there was a total of seven (7) being rated as Very High, twenty-six (26) as High, ninety-eight (98) as Moderate and twenty-six (26) as Low risk. The total financial impact to mitigate the risks rated Very High and High is approximately \$278M JMD. These risks rated Very High and High are outside of the JDIC's risk appetite, and if left untreated could adversely affect the JDIC's ability to achieve its key strategic objectives.

During the planning period, the Corporation will engage a Corporate Risk Manager (CRM) who will be the chief facilitator who, together with the risk owners, will ensure that ERM remains embedded across the Corporation in accordance with the ERM Framework. The CRM will have executive level responsibility for the ERM process and will report to the CEO on matters relating to the ERM process, but with a "dotted line" to the Audit Committee when certain circumstances are triggered. The CRM will prepare a consolidated report on the overall status of the top risks across all the risk categories in the Risk Universe for discussion at the Risk Management Committee (RMC). The RMC is constituted of the Committee of Management which also functions as the overall ERM Committee that reviews all risks across the Corporation; recommend changes to the risk appetite and tolerance levels to the Audit Committee, after receiving input from the Risk

Manager and the CEO; and recommend the approval of action plans requiring budgets over a certain amount. The Risk Governance & Operational Structure is shown below.

IV. RISK GOVERNANCE & OPERATIONAL STRUCTURE





JDIC RISKS MAP

L I K E L I H O O D	IMPACT					
		INSIGNIFICANT	LOW	MODERATE	HIGH	SIGNIFICANT
	VERY LIKELY	Low Risk	Moderate Risk	High Risk	Very High Risk	Very High
	HIGHLY LIKELY	Low Risk	Moderate Risk	High Risk	Very High Risk	Very High Risk
	LIKELY	Low Risk	Moderate Risk	Moderate Risk	High Risk	High Risk
	UNLIKELY	Low Risk	Low Risk	Moderate Risk	Low Risk	Moderate Risk
	VERY UNLIKELY	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk

Detailed Listing of Very High Risks by Department

	Department/Sub-Department/Team being assessed	Process	Key Barriers Affecting Objectives (What could go wrong)	Impact Score (Low (1) to Significant (5))	Likelihood of the risk materializing (Very unlikely (1) to Very Likely(5))	Current Residual Risk	Target Residual Risk (should be at least Moderate or Low)	Planned risk response description/control (s) that will be implemented to meet Target Residual Risk	Cost to implement risk treatment
1.	Records and Information Management	Vital Paper Records Management	Copy of vital paper records may not be created and maintained.	4 - Very High	4 - Highly Likely	Very High	Low	Ensure all vital records are appropriately identified, duplicated, secured and backed up. -In train.	Hardware, Software, service provider cost and additional staff costs - J\$8M. (Year 1-2)
2.	IRIR-Resolution Preparedness & Crisis Management	Develop and implement policies, procedures and systems	Policies, procedures and systems may not be developed and adequately implemented by JDIC and Policyholders (particularly record-keeping requirements and recovery plans).	5 - Significant	4 - Highly Likely	Very High	Low	Passing and implementation of the: (1) SRR Legislation; (2) Amendments to the DIA to allow for access to Policyholder data prior to closure; (3) Record Keeping Guidelines and Compliance Regulations. -In Train	Approximately J\$48M (Year 1 -2) for professional fees.
3.	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Manage the resolution, recoveries and claims process	Subject matter experts may not be readily available in the market to provide JDIC staff with the technical expertise and training and assist	4 - Very High	5 - Very Likely	Very High	Moderate	Ensure budget is in place to train staff and to engage SMEs to provide technical input. Ongoing monitoring and updating of pool of SMEs.	Included in the following: -Approximately J\$48M (Year 1 -2) for professional fees budget.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

	Department/Sub-Department/Team being assessed	Process	Key Barriers Affecting Objectives (What could go wrong)	Impact Score (Low (1) to Significant (5))	Likelihood of the risk materializing (Very unlikely (1) to Very Likely(5))	Current Residual Risk	Target Residual Risk (should be at least Moderate or Low)	Planned risk response description/control (s) that will be implemented to meet Target Residual Risk	Cost to implement risk treatment
			with drafting policies and procedures and building out systems required to Operationalize the recoveries and claims process.					-In Train	-Annual training budget of approximately J\$2M. (Year 1-2)
4	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Manage liquidation process	Subject matter experts may not be readily available in the market to provide JDIC staff with the technical expertise and training and assist with drafting policies and procedures and building out systems required to Operationalize the liquidation process.	4 - Very High	5 - Very Likely	Very High	Moderate	Ensure budget is in place to train staff and to engage SMEs to provide technical input. Ongoing monitoring and updating of pool of SMEs. -In Train	Included in the following: - Approximately J\$48M (Year 1 -2) for professional fees budget. - Annual training budget of approximately J\$14M. (Year 1)



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

	Department/Sub-Department/Team being assessed	Process	Key Barriers Affecting Objectives (What could go wrong)	Impact Score (Low (1) to Significant (5))	Likelihood of the risk materializing (Very unlikely (1) to Very Likely(5))	Current Residual Risk	Target Residual Risk (should be at least Moderate or Low)	Planned risk response description/control (s) that will be implemented to meet Target Residual Risk	Cost to implement risk treatment
5	FFAM	Fund Adequacy	Market conditions during crisis periods may be unfavourable.	5 - Significant	4 – Very Likely	Very High	Low	Implement contingency funding arrangements. MRA will continue to monitor the economy and Policyholders' performances and ensure liquid assets are secured by BOJ or arrangements are in place with the BOJ to access funds at market price, if needed.	Included in the following: -Approximately J\$29M (Year 1 -2) for legal fees budget.
6	Human Resource and Administration		There may be challenges in recruitment of qualified and competent staff.	5 - Significant	4 – Very Likely	Very High	Low	Strengthen Employee Value proposition element of the recruiting and retention effort as part of the larger Corporation's brand and a good mutual fit.	Included in the following: -Approximately J\$29M (Year 1 -2) for professional fees budget.

	Department/Sub-Department/Team being assessed	Process	Key Barriers Affecting Objectives (What could go wrong)	Impact Score (Low (1) to Significant (5))	Likelihood of the risk materializing (Very unlikely (1) to Very Likely(5))	Current Residual Risk	Target Residual Risk (should be at least Moderate or Low)	Planned risk response description/control (s) that will be implemented to meet Target Residual Risk	Cost to implement risk treatment
7.	CEO's Office	STRONG PARTNERSHIPS	There may be inadequate legal and operating framework for the collaboration of information sharing with FSSN Partners (FRC and FSSC)	5 - Significant	5 – Very Likely	Very High	Low	1. To ensure SLAs are executed among FSSN partners, tested and operationalised and continue to work towards ensuring roles and responsibility and clarity in the new legal and operating framework for a special resolution regime. 2. Alternate option - seek change in legal framework.	Included in the following: -Approximately J\$29M (Year 1 -2) for legal fees budget
8	CEO's Office	BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY	1. Inadequate compensation and benefits which may lead to challenges in the available professional pool of technically competent person 2. Delay, non-approval, inadequate approval by MoFPS	5 - Significant	4 – Highly Likely	Very High	Low	Obtain MoFPS approval. Implement Organisational Review, Job Evaluation and Reclassification to better align functions with the expertise required, commensurate with competitive rewards and recognition policies.	Remuneration will be increased from J\$90M to approximately J\$223M. Cost to implement J\$133M.

Detailed Listing of High Risks by Department

	Department/Sub-Department/Team being assessed	Process	Key Barriers Affecting Objectives (What could go wrong)	Impact Score (Low (1) to Significant (5))	Likelihood of the risk materializing (Very unlikely (1) to Very Likely(5))	Current Residual Risk Score	Current Residual Risk	Target Residual Risk (should be at least Moderate or Low)	Planned risk response description/control (s) that will be implemented to meet Target Residual Risk
1.	Information Technology	Implementing key IT projects to support core business functions	Insufficient management of the IT process through the outsourced services and insufficient internal staff with requisite skills	5 - Significant	3-Likely	15.0	High	Low	i) Review contracts with service providers ii) Secure MoFPS approval for Organizational review where a Manager for administration services to assist in effective coordination of IT functions
2.	Information Technology	Secure IT Systems	Staff may not be aware of and/or comply with ICT Security Policies and Procedures. As such, important files belonging to the Corporation and stakeholders may be endangered by the latest malware and will possibly be lost forever, and confidentiality breached.	5 - Significant	3 - Likely	15.0	High	Low	Ensure ongoing and adequate training for members of staff to comply with ICT Security Policies and Procedures, including awareness of associated risks.
3.	Information Technology	Configuration Management	There may be insufficient documentation of the	4 - Very High	3 - Likely	12.0	High	Low	Ensure the compendium of documents relating to configuration

			change management process.						management are sufficiently detailed and updated in a timely manner.
4.	Monitoring & Risk Assessment	Comprehensive Policyholder Risk Review and Recommendation	Failure to receive information from the BOJ in a timely manner.	5 - Significant	3 - Likely	15.0	High	Low	<p>i) Pursue service level agreement with BOJ consistent with December 2018 FSAP report.</p> <p>ii) Pursue gaining access with BOJ to its BOJ JAM-FIRMS platform under advice that discussions will be had once the JAM-FIRMS rules are established.</p> <p>iii) Continue to review and analyze the Policyholder submitted audited data</p>
5.	Monitoring & Risk Assessment		Internal risk review methods may not be sufficiently robust.	5 - Significant	3 - Likely	15.0	High	Low	Implement an appropriate business intelligence software to assess the Policyholders' risk level.
6.		Development Report: Monitoring of Policyholders	Current BOJ specific data may not be shared.	5 - Significant	3 - Likely	15.0	High	Low	Implement mitigating factors as in 5 above

7.	Monitoring & Risk Assessment	Fund Adequacy	Incorrect evaluation of risk and fund adequacy may result in inadequate funding and liquidity planning.	5 - Significant	3 - Likely	15.0	High	Low	Implement mitigating factors as in 5 above and work closely with FFAM department to ensure the robustness of the capital and operating costs Have an independent review of the models done periodically
8.	GCCSC – Corporate Communications Unit	Public Education and Awareness Programme	1. Public education programme not sufficiently robust to achieve the rate of growth in public awareness and understanding of the DIS as desired [refer 2017 National Survey].	5 - Significant	3 - Likely	15.0	High	Low	Revamp the public education strategy.
9.	IRIR-Resolution Preparedness & Crisis Management	Resolution and Payout Management	Limited time to recruit and train the additional staff required to carry out resolution and payout management in a crisis.	5 - Significant	3 - Likely	15.0	High	Moderate	i) Ongoing staff training and development; succession planning to develop competencies for training and directing additional staff recruited in a crisis. ii) Mandatory participation in contingency



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

									planning and simulation exercises to include third party service providers. iii) Maintain pool of SMEs/ service providers to additional staff
10.	IRIR-Resolution Preparedness & Crisis Management		FSSN partners may not participate in the development and testing of policies, procedures and systems relating to multi-agency resolution and crisis management activities due to competing priorities and staff constraints.	5 - Significant	3 - Likely	15.0	High	Low	Implement mitigating factors as in 5 under 'Detailed Listing of Very High Risks by Department'
11.	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Plan and execute resolution -Non-Payout: Lead JDIC's role in determining and executing suite of resolution options/tools of a non-viable FI	There may be inadequate legal, institutional and operational framework for JDIC to effectively execute its role prior to the passing of the SRR legislation and implementation.	5 - Significant	3 - Likely	15.0	High	Moderate	Tabling and implementation of the SRR legislation; development of resolution tool kit; staff training and simulations - JDIC and inter agency; maintain pool of SMEs.

12.	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Plan and execute resolution -Payout: Reimburse depositors of a non-viable FI	Depositor data from banks may not be accessible within stipulated timeline and format.	5 - Significant	3 - Likely	15.0	High	Moderate	Record keeping requirements and compliance framework to be promulgated as regulations and ongoing testing of Policyholders' level of compliance.
13.	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Plan and execute resolution -Payout: Reimburse depositors of a non-viable FI	Fully automated payout system may not be implemented and/or operable.	5 - Significant	3 - Likely	15.0	High	Moderate	Complete implementation of fully automated system and ensure necessary updates to the IPS and ongoing staff training.
14.	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Manage the recoveries and claims process	Policies and procedures may not be developed to manage and operationalize the recoveries and claims process.	4 - Very High	3 - Likely	12.0	High	Moderate	Develop policies and procedures and ensure ongoing training of staff to build competencies with the assistance of SMEs.
15.	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Manage liquidation process	Policies and procedures may not be developed to manage and Operationalize the liquidation process.	4 - Very High	3 - Likely	12.0	High	Moderate	Develop policies and procedures and ensure ongoing training of staff to build competencies with the assistance of SMEs.

16.	IRIR - Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	FSSN multi-agency financial crisis management simulation activities.	There may be unavailability of FSSN staff to plan and participate in multiagency financial crisis management activities.	4 - Very High	3 - Likely		High	Moderate	Engage SME to plan simulation and follow-up on the assignment of FSSN officers (now scheduled for FY2021/22).
17.	CEO's Office	Strong Partnerships	There may be insufficient clarity among FSSN partners regarding their roles and responsibilities in the event of a resolution.	5 - Significant	3 - Likely	15.0	High	Low	Tabling of SRR and operationalize multi-agency crisis management plans through simulations, training and workshops.
18.	CEO's Office	Proactive Readiness And Resolution Management	There may not be timely access to staff and other resources to implement an effective resolution.	5 - Significant	3 - Likely	15.0	High	Low	<p>1. Address HR issues, including the Org Review recommendations.</p> <p>2 Completion of the FIRA framework and development of JDIC resolution legislation, policies and procedures.</p> <p>3. Implementation of contingency funding arrangements.</p>

BUSINESS STRATEGIES FY2020/21 – FY2023/24

The Corporate Plan for FY2020/21 – FY2023/24 was developed further to the review of the Corporation's objects and its operating environment; a SWOT analysis; the planning assumptions; and an assessment of the strategic and operational risks. It was determined that the business strategies pursued during the last planning period remained valid and therefore will continue to be pursued during this period. The business strategies support the Corporation's principal objects, Vision, Mission and Core Values, address the Corporation's key risks identified in its ERM process and inform the key initiatives for the planning period. The business strategies are: **Proactive Readiness and Resolution Management; Strong Partnerships; Building Sustainable Human Resource Capacity; Leveraging Information and Communication Technology for Operational Efficiency; and Public Education and Awareness.**

The strategy for Leveraging Information and Communication Technology for Operational Efficiency continues to take pre-eminence based on a review of the Corporation's outlook on its strategy for strengthening operational efficiency in a context of the increasing use of information technology for data management, the provision of services and data protection. This is designed to allow the Corporation to effectively achieve its objectives in collaboration with partners and stakeholders as digitization of operations accelerates.

The following are some of the significant considerations advising the key initiatives to support the business strategies:

- The public policy objectives as determined by the Corporation's statutory objects and emerging public policy imperatives driven by developments and trends in: the international and domestic economies; the operating environment of Policyholders; and financial system regulatory enhancements which fuel the expectations and impact behaviours of users and providers of financial services in Jamaica;
- Policyholders' rapid business innovations driven by increasing competitiveness and enhanced technology, particularly in the development of new products and delivery channels with BigTech, FinTech and Artificial Intelligence;

- Policyholders' operating environment and performance given the increasing global economic and market volatility;
- The Corporation's operations benchmarked against international best practice standards, including the *IADI Core Principles for Effective Deposit Insurance Systems (Core Principles)*, the *FSB Key Attributes of Effective Resolution Regimes for Financial Institutions (Key Attributes)* and the *BCBS Core Principles*;
- The enhancement of the crisis management and resolution framework for financial institutions in Jamaica (the SRR), as a critical component for financial stability and minimization of costs of financial crises;
- Enhanced collaboration and cooperation among FSSN partners and regional and international counterparts in relation to financial system stability; financial system regulation; and crisis management and planning.
- Initiatives under the Corporation's public education and awareness programme and the Financial Inclusion Strategy for the country;
- Development of the Corporation's human capacity under a discrete strategy for ensuring sustainability in the long term;
- Infrastructure capacity enhancement for the Corporation's operational efficiency.

The key initiatives that will support the business strategies will also align with, and contribute to, the achievement of respective national reforms consistent with the Vision 2030 agenda and the declared intentions of Government to maintain fiscal discipline, management and accountability, as achieved under the previous IMF programme. With market conditions for real sector investments improving and stated intention for deepening of financial markets in Jamaica to allow for more access to capital for development and financial inclusion, the Corporation recognizes that there are additional risks which must be monitored. In this context, the FSSN partners continue to pursue initiatives geared towards financial sector reform and this includes: strengthening the prudential frameworks for financial institutions; enhancing the arrangements for financial crisis preparedness and resolution management.

1. PROACTIVE READINESS AND RESOLUTION MANAGEMENT

As a member of Jamaica's FSSN, the Corporation continues to have a critical role in protecting depositors and contributing to financial system soundness and stability. In a rapidly changing economic and Policyholder business environment, the Corporation must maintain its operations



in a state of perpetual readiness to carry out its statutory roles as deposit insurer, receiver, liquidator and judicial manager for its member institutions and its holding companies and subsidiaries. The Corporation continuously addresses its capacity to monitor Policyholder risk, effectively resolve a Policyholder (including acting as receiver and liquidator) and/or promptly provide depositors with access to their insured deposits in the event that a Policyholder becomes non-viable.

The *FSB Key Attributes* set out the core elements necessary for an effective resolution regime and implementation should allow authorities to resolve financial institutions in an orderly manner without (or with minimum and recoverable) taxpayers' exposure to loss from solvency support, while maintaining continuity of their vital economic functions. These standards require that effective resolution management of financial institutions should have as its primary objectives: reducing the cost of bank resolutions for stakeholders not at fault; and where possible transfer risk to those who have the ability to bear it and remove obligations from the public purse. The enhancement of the resolution framework for financial institutions in Jamaica in line with the international best practice standards is one of the targets under the GOJ economic reforms and continues to be a key initiative during the planning period.

Key initiatives supporting this strategy include: Updating the Corporation's Policyholder risk assessment framework with considerations for admission of the credit unions to the DIS; promulgating regulations for the Corporation to act as receiver, liquidator or, judicial manager; continued implementation of guidelines for standard record-keeping requirements for all JDIC Policyholders and the supporting compliance framework; the BOJ transition to Consolidated Risk Based Supervision; and finalizing work in collaboration with the FSSN partners to enhance the resolution framework through the promulgation of the FIRA which includes provisions for a special insolvency regime for financial institutions. The Corporation will also continue its collaboration with the FSSN partners towards the proposed establishment of compensation schemes for the non DTI sector.

2. STRONG PARTNERSHIPS

With the overarching objectives for financial stability, strong partnerships among key stakeholders allow for: the timely sharing of relevant information and expertise; cross institutional learning; strengthening of institutional capacity; effective collaboration, coordination and robust decision making prior to and in crisis periods;; and post crisis assessments for holistic system enhancement among other benefits. In this vein, the Corporation continues to strengthen partnerships with the

FSSN, Policyholders, the IADI and its members, and regional and multilateral bodies. This provides for cooperation and information sharing on the regulation of conglomerated institutions, interconnected financial entities, cross border supervision and resolution as well as the sharing of expertise.

The Corporation works closely with the other FSSN partners and relies on them for mission critical information, in particular the BOJ given its role as Supervisor of Banks and its mandate for financial system stability. In addition to operational meetings held from time to time among these agencies, there are the FRC and FSSC which provide statutory platforms for information sharing and collaboration.

The Corporation will continue its membership with the IADI as a key medium to keep abreast of developments in the international financial system and deposit insurance best practices, as well as having access to the largest potential pool of subject matter expertise and training. Working relations with other relevant international organizations will continue to be forged as required. Collaboration with Policyholders will continue to ensure a mutually beneficial relationship which enables the dissemination of vital information to depositors and the most effective interface with Policyholders in times of financial crisis.

Key initiatives supporting this strategy include: Providing technical support to several FRC and FSSC working groups, to include coordination and collaboration on selected interagency activities in a financial crisis; participating in the implementation of initiatives to address the recommendations arising from the Financial Sector Assessment Programmes conducted in 2018; developing supporting documentation for the NFCMP and participating in FSSN multi-agency crisis simulations; continued participation in the technical work of the IADI and the CARICOM TWG to develop a Deposit Insurance Framework for member states.

3. BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY

Integral to achieving the Corporation's overarching objectives for depositor confidence, and financial system stability, is operating a knowledge and talent management organizational model, where technical expertise of the human capital is the most important asset. The model should therefore recognize and promote sustainable human resource capacity through the implementation of knowledge and talent management, recruitment, retention and succession

policies and practices. This supports the assurance of the proactive readiness of the JDIC to achieve its overarching objectives.

The operating structures, compensation and reward systems should be designed to incentivize this outcome. The organization benefits where expert knowledge can be used to readily create and modify strategies to achieve the public policy objectives in a rapidly changing complex environment with dynamic labour markets. Knowledge management continues to be challenging for businesses like the Corporation. This results from a high turnover rate that compromises the maximization of value of these entities. The current residual risk is high for the Corporation in the management of its human capital. The objective during the planning period is to reduce this risk.

The reasons for the risk in this area are both external and internal. Compensation of key staff is substantially below the market and has remained so for a sustained period as they are subject to public sector imposed constraints. Benefits which tend to engender company loyalty and incentives for long term employment are currently not available. The organization structure, implemented in 1998, does not sufficiently support the development of the human capital to the extent now required for the Corporation under this strategy. In this environment, the recruitment of expert staff is not possible and those trained in the requisite skills and expertise (and those in training), quickly seek better employment opportunities locally and overseas. Wider aspects of the economic and social environment juxtaposed with the rapidly changing nature of employment markets also contribute to this risk.

The limited skilled and experienced staff must consequently undertake wider spans of responsibilities, unduly and unfairly increasing pressure for delivery impacting job satisfaction and effectiveness. This potentially exposes the Corporation to less than optimal performance.

In examining the issues for ensuring sustainable human resource capacity, consideration has been given to the challenges from a structural perspective. The career path and ability of knowledge workers to actualize over the long term will be taken into account and supported by the structures.

Key initiatives supporting this strategy include: the organizational modelling and structure review, job evaluations and classifications system for implementation, consistent with and supportive of knowledge management in the JDIC. The review commenced in FY2017/18 and takes into account emerging best standards applicable to employment strategies for staff in the Corporation's business sector and the need for responsiveness to required changes for effective

human resource management in dynamic knowledge based employment markets. This initiative should better align the structure with the expertise required, capacity for continued development, competitive rewards and recognition and succession policies. The Corporation finalized the organizational modeling and review, job evaluation and reclassification exercise and submitted a report and recommendations to the MoFPS in August 2018 for approval and immediate implementation.

Other initiatives to support this strategy include Implementation of the pension scheme; strengthening of the human resource policies, guidelines and procedures framework, including review of its performance management system; and continued staff training and development in core functional areas to build expertise. In support of the human resource capacity strategy the Corporation will also seek to secure more appropriate office accommodation during the planning period.

4. LEVERAGING INFORMATION AND COMMUNICATION TECHNOLOGY FOR OPERATIONAL EFFICIENCY

The ubiquitous nature of Information and Communication technologies for operational efficiency and cost management is now understood and accepted and stakeholder expectation continues to demand this even at a further accelerated pace. The Policyholder environment and business models and products are quickly responding to these expectations. The need for efficiency in Government services must also respond in like fashion. The Corporation's unique mandate for depositor protection and financial system stability consequently requires that it also securely hinges its operational efficiency and cost management processes through leveraging information and communication technology to the greatest extent possible through a process of strategic digital transformation of the organization over the planning period into the medium term and longer term.

It is recognized that to succeed in a technology enabled environment, constraints relating to determining appropriate technologies and the complexity of evolving systems must be overcome. Speed, flexibility, cost efficiency, reduced risk, cyber security and operational simplification should be characteristics that define the business operating platform. It is in this vein, that one of the key initiatives that will characterize this strategy will be the development of a formal

ICT governance strategy with the commensurate policies, practices and procedures for the Corporation.

Several strategic initiatives have already commenced to take advantage of technology to improve the Corporation's business processes and operational efficiency in the following areas: security of its information assets and records management; resolution and payout management; Policyholder monitoring and risk assessment; investment and treasury management, and optimizing office administration.

Key initiatives supporting this strategy include: Audit of ICT infrastructure; implementation of a payout management information system (PMIS); update of the disaster recovery and business continuity plans; continued implementation of the ERM framework and a records and information management system consistent with internationally and locally accepted standards.

5. PUBLIC EDUCATION AND AWARENESS

Public awareness is one of the IADI *Core Principles for Effective Deposit Insurance Systems*. The principle *inter alia* states that an informed public makes better choices when accessing financial services and have more confidence in periods of financial system distress. Ensuring that the public is educated as to the protections and limitations of deposit insurance, as well as the regulation of the financial system also comes under the rubric of consumer protection, financial literacy and financial inclusion. This continues to be a key pre-emptive strategy of the Corporation for maintaining depositor confidence and financial system stability.

Since establishment, the Corporation has recognized public education and awareness as a key business strategy. In disseminating information on the DIS and regulation of the financial system, the Corporation partners with the other members of the FSSN, mainly through coordinated public forums. This collaboration has been strengthened by its membership on the National Financial Inclusion Strategy (NFIS) Committee and the NFIS Consumer Protection and Financial Literacy Capability working group.

Being the first point of contact with depositors, Policyholders remain critical to the dissemination of deposit insurance information. The Corporation offers training through workshops for the staff of Policyholders (this will include credit unions on admission to the DIS) to ensure accuracy in the



information being shared with customers and other members of the public. The public education programme also focuses on students of primary and secondary schools facilitated through presentations and various competitions.

The Corporation's advertising campaign continues to be an effective strategy to disseminate key deposit insurance messages using the print and electronic media, including digital media. Presentations are also made to private and public sector organizations.

Based on the 2017 deposit insurance public awareness survey results, the Corporation will revamp its public education programme, in an effort to increase awareness level which is presently at 48 percent, albeit this is consistent with awareness levels in other jurisdictions where there are no financial crises.

Key initiatives supporting this strategy include: Schools' programme to include development of a book on the financial system for primary schools; development of an online training programme for Policyholders; continued collaboration with FSSN partners, including work with NFIS Consumer Protection and Financial Capability working group to formulate appropriate initiatives to reach the target audience.



PART B

(Satisfaction of Item 6 of the First Schedule of the
PBMA)

TABLES 1 AND 2

TABULAR FORM OF BUSINESS STRATEGIES/KEY INITIATIVES AND KPIs

**FY2020/21 – FY2023/24 (TABLE 1) AND
CORPORATE SCORECARD FY2020/21 (TABLE 2)**



TABLE 1
CORPORATE PLAN FY2020/21-FY2023/24

TABLE 1									
CORPORATE PLAN FY2020/21 - FY2023/24									
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)	
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024		
1. PROACTIVE READINESS AND RESOLUTION MANAGEMENT									
1.1 Continue the Phased Implementation of Standard Record- Keeping Guidelines and Compliance Framework for Policyholders	IRIR	ICT, GCCSC, Policyholders and other stakeholders		Q1-Q4				<ul style="list-style-type: none"> Revise the Recordkeeping Guidelines and Compliance Framework and submit to Policyholders and other stakeholders for consultation. Finalize the Guidelines and Compliance Framework incorporating feedback from the consultation process. 	
					Q1-Q4			<ul style="list-style-type: none"> Dispatch the Compliance Framework for Implementation by Policyholders. Commence ongoing Policyholder data transmission activities as outlined in the Compliance Framework (to be agreed with Policyholders and will thereafter become a part of the department's routine/ ongoing activities). Commence the delivery of sensitization sessions on the Recordkeeping Guidelines and Compliance Framework for credit unions (contingent on the passing of the CUSPA). 	

TABLE 1								
CORPORATE PLAN								
FY2020/21 – FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.1 Continue the Phased Implementation of Standard Record-Keeping Guidelines and Compliance Framework for Policyholders (Cont'd)	IRIR/GCCGC	ICT, Credit Unions and other Stakeholders (BOJ, JCCUL)				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Complete the delivery of sensitization sessions on the Recordkeeping Guidelines and Compliance Framework for credit unions (contingent on the passing of the CUSPA). Research the feasibility of incorporating compliance assessments within the scope of the supervisory onsite examinations or JDIC commissioned assessments²⁶. Issue consultation paper to promulgate Regulations for Policyholders' Recordkeeping Requirements and Compliance Framework. Submit recommendations to the MOFPS to inform the drafting of Regulations.

²⁶ This is against the background that proper recordkeeping is consistent with prudent banking practices; has implications for the resolvability of a financial institution as well as to reduce regulatory burden.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2019- 2020	2020- 2021	2021- 2022	2023- 2024	
1.2 Engage Member Institutions, Nominees and Trustees to Ensure their Operations Allow for Separate DI Coverage for Beneficiaries	IRIR	GCCSC, Policyholders and other stakeholders		Q1-Q4				<ul style="list-style-type: none"> Develop procedural guidelines for member institutions and the professional intermediaries acting as trustees and nominees on their obligations disclosure and recordkeeping requirements (include specifications for data format). Develop and implement strategies for increasing stakeholder awareness.
					Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Conduct research and make recommendations for an appropriate compliance framework for professional intermediaries. Determine implementation strategy and make proposals to ensure adequacy of the legal and operating framework for implementation. Dispatch the compliance framework for

TABLE 1								
CORPORATE PLAN FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2019- 2020	2020- 2021	2021- 2022	2023- 2024	

1.3 Test Contingency Planning								
1.3.1 Create a Contingency Plan and Crisis Management SharePoint Database	IRIR	ICT Unit			Q4			<ul style="list-style-type: none"> • Compile a list of the required policies, procedures and pre- drafted documentation relevant to managing a crisis and develop action plan to address gaps. • Develop a crisis management database guidance and protocols taking into consideration the RIM Policies and Procedures Manual. • Create database.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.3.2 Conduct Crisis Communication Training and Simulation Activities- (Refer Corporate Communication Unit Plan)	IRIR	All Departments		Q1-Q4				<ul style="list-style-type: none"> Prepare TOR and engage consultant to plan the simulation activities Develop crisis scenarios and simulation plan. Conduct simulation. Prepare simulation report - document findings and proposed action plan. Implement corrective actions based on functional area.
1.3.3 Simulate the Disbursement of Insured Deposits through a Viable Policyholder- Insured Deposit Portfolio Transfer	IRIR	IRIR, MRA, GCCSC, BOJ, FSC, MOFPS, IMF TA,US Treasury OTA			Q1-Q4			<ul style="list-style-type: none"> Obtain the commitment of a Policyholder and conduct the IDPT Simulation. (The Corporation may be required to offset the cost of Policyholder assigned resources). Update the IDPT plan templates and conduct simulation. Prepare simulation report - document findings and proposed action plan. Implement corrective actions - update IDPT and payout process, policies and procedures and enhance PMIS. Develop procedures applicable to transferring insured deposits consequent to a P & A and establishing a Bridge Institution.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.3.4 Simulate Selected Inter-Agency Activities in a Financial Crisis	IRIR	All Departments, BOJ, FSC and MOFPS			Q1-Q4			<ul style="list-style-type: none"> Participate in FRC led activities to plan and execute the simulation. Address gaps identified during the simulation with regard to the JDIC's mandate and provide technical input based on FRC Inter agency action plans and schedules.
1.4 Assess JDIC'S Compliance with The IADI Core Principles for Effective Deposit Insurance Systems	IRIR	All Departments, Policyholders, FSSNP and IADI			Q1-Q4			<ul style="list-style-type: none"> Submit request to IADI to conduct SATAP. Commence planning activities and scope assessment exercise. Sensitize stakeholders to obtain buy-in to participate in assessment exercise.
						Q1-Q4		<ul style="list-style-type: none"> Finalize planning and scope of the assessment with all stakeholders and IADI consultants and conduct assessment activities. Present final assessment report and action plan to COM, Board and FSSN partners.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.5 Strengthen the Resolution Management Framework and Resolution Readiness								
1.5.1 Make Proposals for Legislative Amendments to Ensure the Corporation has the Necessary Powers to act in Resolution.	IRIR			Q1-Q4	Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> • Guide the process to submit to the MoFPS proposals for the promulgation of DIA Regulations and consequential amendments to the DIA for the specific provisions and based on the schedule agreed with the Legislative Committee and MOFP (Some initiatives may require prior stakeholder consultations) • Follow through on the legislative process • Follow through on the legislative process. • Conduct stakeholder sensitization activities.

TABLE 1								
CORPORATE PLAN								
FY 2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.5.2 Continue to Develop Internal Policies, Processes and Pre Drafted Legal Documents, Notices and Other Material for a Resolution Toolkit	RIR	MRA, GCCSC, BOJ, FSC, MoFPS, US Treasury OTA, Other SME, Member Institutions		Q1-Q4	Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Draft resolution policies, processes, legal and other documents based on work plan and develop the Resolution Toolkit. Submit policies, processes and documentation for requisite internal approvals (COM, Board) and stakeholder consultations if required.
1.5.3 Develop a Member Institution Resolution Management Information System (Refer also the MRA Initiative to Implement Member Institutions' Business Intelligence Software MIBIS)	RIR	MRA, ICT, Legal, BOJ		Q1-Q4				<ul style="list-style-type: none"> Review and update the Corporation's information needs, techniques and processes to conduct data analysis for the resolution of non-viable member institutions. Develop business requirements document. Develop business case. Develop project plan
					Q1-Q4			<ul style="list-style-type: none"> Conduct the procurement process
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Complete the procurement process including contract extension. Execute Project - Develop and implement the information system.

TABLE 1								
CORPORATE PLAN								
FY2020/2021- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2019- 2020	2020- 2021	2022- 2023	2023- 2024	
1.5.4 Increase Public Awareness and Transparency of JDIC's Role in Resolution (in collaboration with Corporate Communications)	IRIR	MRA, GCCSC, BOJ, FSC, MoFPS, US Treasury OTA, Other SMEs, Member Institutions		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Draft inputs to be included in the Corporation's public education material; presentations, media publications and website to increase awareness of JDIC's role in resolution.
1.6 Compensation/Guarantee Schemes								
1.6.1 Develop Framework for JDIC to Provide Investor Compensation – Contingency on the Establishment of Compensation/Guarantee Schemes for the Non Deposit Taking Sector - (Refer MRA Department)	IRIR/GCCSC	All Departments, FSC, BOJ				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Commence research to develop legislation, policies, procedures and systems to facilitate making compensation to investors consistent with the scope of coverage and coverage rules of the respective compensation schemes for the securities and insurance sector (contingent on approval of the revised policy proposal to establish compensation schemes). Conduct stakeholder consultations. Prepare technical input for developing drafting instructions. Review draft Bill. Follow through on TWG activities relating to tabling legislation.

TABLE 1								
CORPORATE PLAN FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.6.2 Establishment of Compensation Schemes	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; FSC	Q1-Q4	Q1-Q4				<ul style="list-style-type: none"> Continue to collaborate with the FSC to address the weaknesses identified in the 2010 Recommendation, by the MOFPS and other stakeholders. Provide technical input to develop the Terms of Reference and scope of work for potential subject matter expert(s).
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Engage subject matter experts/advisors for each sub-sector, in order to develop institutional capacity for fulsome understanding of the operations and products offered by the respective sectors. Develop policies and procedures to manage and monitor each sector Develop business process documentation/s for the procurement of an appropriate risk assessment application/s for the respective sectors

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.7 Finalize Framework for Establishing Advisory Panel	IRIR	IRIR, MRA, Legal		Q1-Q4				<ul style="list-style-type: none"> Draft expression of interest to serve on Advisory Panel and submit to SMEs. Develop template for terms of reference and engagement contract for members of Advisory Panel. Commence ongoing maintenance of pool of Advisors.
1.8 Conduct Deposit Insurance Fund Adequacy Evaluation	MRA	FFAM; IRIR; GCCSC;		Q1				<ul style="list-style-type: none"> Engage the services of an independent subject matter expert to develop a methodology and conduct the evaluation of the adequacy of the DIF and make recommendations. Present initial findings and recommendations to COM for consideration prior to finalization. Following receipt of final report from the subject matter expert, MRA prepares recommendation

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.9 Credit Union Admission to the Deposit Insurance Scheme	MRA	FFAM; IRIR; GCCSC; ICT; MOFPS, BOJ; Credit Unions; Jamaica Cooperative Credit Union League; and the Registrar of Cooperative Societies.		Q1-Q4				<ul style="list-style-type: none"> Finalize the design features for credit unions' admission ahead of the passing of the proposed CUSPA and admission to the DIS, in collaboration with the MoFPS, BOJ and JCCUL. Continue to review the DIA to ensure that the provisions of the CUSPA are consistent with the DIA. Continue the process for the admission of credit unions to the DIS, consistent with the BOJ/MOFPS licencing process. Continue the build-out of the JDIC PRAF to include credit unions.
---	-----	---	--	--------------	--	--	--	---

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.9.1 Legislative Amendments to the DIA In Keeping with the Admission of Credit Unions to the Deposit Insurance Scheme (Dis)	GCCSC	MRA, IRIR, FFAM, MoFPS, BOJ		Q1-Q4				<ul style="list-style-type: none"> Review the DIA with a view to proposing consequential amendments to the DIA, resulting from the admission of credit unions to the DIS. Prepare proposals for consequential amendments to the DIA, resulting from the admission of credit unions to the DIS (contingent on the passing of CUSPA). Assist in the development and preparation of internal policies and procedures documentation, to ensure proper monitoring of credit unions in accordance with the DIA (refer 1.2 above).
					Q1-Q4			<ul style="list-style-type: none"> See necessary legislative reform through to implementation.

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.10 Update The Monitoring and Risk Assessment Policies and Procedures	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Credit Unions; Jamaica Cooperative Credit Union League; Department of Cooperatives and Friendly Societies (DCFS)		Q1-Q4				<ul style="list-style-type: none"> Continue collaboration with the BOJ to determine the risk profile of the credit union sector, and the assessment standards, and update the PRAF for any nuances relating to the credit union sector; Continue collaboration with the JCCUL regarding information sharing; Develop reporting schedule (frequency and types of reports) for credit union sector, with the BOJ; Continue formal monitoring and reporting on key financial indicators and overall position of individual credit unions and the credit union sub-sector; Start sensitization sessions with credit unions and its members; Continue the updating/developing of policy and procedure documents, as appropriate; Review and update the Membership and Admission Policy to treat with monitoring of expanded delivery channels such as Agent Banking being offered by Member Institutions.
---	-----	---	--	--------------	--	--	--	---

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.10 Update The Monitoring and Risk Assessment Policies and Procedures (Cont'd)	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Credit Unions; Jamaica Cooperative Credit Union League (subject to the JCCUL's role once the Regulations is enacted)			Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Continue collaboration with the BOJ and credit unions with regard to admission, reporting and monitoring of the sector. Update and develop policies and procedures from on-going research.
1.11 Implementation of Member Institutions' Business Intelligence Software (MIBIS) for Monitoring, Risk Assessment and Resolution	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions		Q1-Q4				<ul style="list-style-type: none"> Engage Business Analyst Develop business case to refine the Corporation's information needs, assess available technology/shared services and determine procurement methodologies/options.

TABLE 1								
CORPORATE PLAN								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.12 Implementation of Member Institutions' Business Intelligence Software (MIBIS) for Monitoring, Risk Assessment and Resolution (Cont'd)	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions			Q1-Q4			<ul style="list-style-type: none"> Prepare TOR and RFP for procurement of Software Developer/ Vendor. Advance and finalize procurement for a BI software developer for the robust assessment and analysis of the performance of Member Institutions, if necessary.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Complete the procurement process including contract execution Engage software vendor regarding the development of a BI software Full implementation and user acceptance of MIBIS and post implementation report.
1.13 Review and Maintain the Contingency Funding Plan (CFP) for Resolution	FFAM	COM, MRA	Q1-Q4					<ul style="list-style-type: none"> Update the CFP to incorporate the Corporation's resolution funding obligations to include provisions in the FIRA). Continue collaboration with the Minister/MoFPS/PIOJ and relevant Government Agencies to clarify prevailing GOJ policy as it impacts lending terms and conditions for obtaining loans from Regional and Multi-Lateral Lending Agencies. Obtain funding information, terms and conditions from other potential lending sources and borrowing options. Integrate the CFP with the JDIC's Crisis Management Framework.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.14 Implementation of Compensation Schemes for Non-Deposit Taking Institutions (DTIS) - Operational Processes	FFAM	ICT; COM; MRA; IRIR				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Identify and draft procedures for the financial operational processes. Identify and get approval for investment strategies. Prepare operating environment for the investment and management of the investment funds.

TABLE 1

CORPORATE PLAN

FY2020/21- FY2023/24

BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

1.15 Assist in the Strengthening of the JDIC Resolution Management Framework								
1.15.1 Legislative Amendments to the DIA in Keeping with the Promulgation of Legislation for the Specialized Insolvency Framework	GCCSC	IRIR, MRA, US OTA, FRC TWG		Q1-Q4				<ul style="list-style-type: none"> Draft/review rules for the Corporation to act as liquidator, receiver or judicial manager. Prepare proposals towards drafting instructions to promulgate subsidiary legislation as per section 5(2)(c) of the DIA.
		MRA and IRIR			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Follow through on activities to promulgate subsidiary legislation. Assist with the drafting of policies and procedures to operationalize subsidiary legislation.
1.15.2 Assist in the Development of Guidelines to Value, Manage and Dispose of a Non-Viable Financial Institution and Manage the Liquidation Process	GCCSC	IRIR, MRA		Q1-Q4				<ul style="list-style-type: none"> Continue research into the practices of other jurisdictions, to include all financial institutions.
					Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Assist with the preparation of policies, procedures and systems. Conduct follow through activities for the promulgation of legislative amendments where necessary. Provide legal assistance in the drafting of policies and procedures to address the key elements for consideration for the proper valuation.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21 - FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.16 Conduct Media Communication Training and Simulation	GCCSC	All Departments			Q2-Q4		Q2-Q4	<ul style="list-style-type: none"> Prepare TOR and procurement documentation to engage a Consultant to conduct the media training and simulation exercise Manage the process for the Consultant to: build-out the training material, conduct staff training and simulation; prepare training/simulation report; document findings and proposed action plan. Update the Communications Manual to address gaps identified, as required.

TABLE 1								
CORPORATE PLAN								
FY2020/21 - FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
1.17 Simulate FRC Inter-Agency Financial Crisis Communication Plan	GCCSC	All Departments and FRC Crisis Communication Team		Q1-Q2				<ul style="list-style-type: none"> In collaboration with FRC Crisis Communication Team, draft TOR to engage Consultant to conduct crisis management communication simulation; Submit Draft TOR to FRC for approval Finalize TOR and Engage Consultant and assist with the build out of the crisis scenarios and simulation exercises
					Q1-Q4			<ul style="list-style-type: none"> Execute crisis communication simulation exercise
						Q1-Q4		<ul style="list-style-type: none"> Address gaps identified in the simulation exercise and update of FRC Interagency Crisis Communication Plan. Update JDIC's Crisis Communication Manual as required.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

2. Strong Partnerships								
2.1 Strengthen International Collaboration– Participate in the Work of the International Association Of Deposit Insurers (IADI)								
2.1.1 Deliver Regional Training/Seminar for IADI Members and CARICOM Member States	IRIR	All Staff			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Obtain approval of CRC Chair and IADI Secretariat to host knowledge event. Finalize theme, identify presenters and prepare draft programmes. Issue invitations. Host IADI knowledge event.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
2.1.2 Participate in the IADI Capacity Building Programme	IRIR	All Departments, IADI Secretariat, IADI Training and Technical Assistance Council Committee			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Assess the Corporation's resources and the proposed framework and make recommendations to participate in the IADI capacity building programme. (Liaise with the IADI Secretariat and Training and Technical Assistance Council Committee/ TTAC). Draft framework for capacity building programme and present to COM for approval. Submit information to IADI to offer capacity building programme²⁷. Implement strategy to commence offering capacity building programme.

²⁷Complete IADI Survey for Capacity Building Programme which may be accessed on the IADI website.

TABLE 1								
CORPORATE PLAN FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
2.2 Collaborate with the CARICOM Secretariat and Member Countries to Develop a CARICOM Deposit Insurance Policy and Model Law	IRIR	CCGS; MRA		Q1-Q4				<ul style="list-style-type: none"> Provide technical input and support consistent with the CARICOM TWG.
2.3 Implement Service Level Agreements for Information sharing with the Central Bank	MRA	CEO, FFAM, IRIR, GCCSC, ICT, BOJ		Q1-Q4				<ul style="list-style-type: none"> Update the draft Service Level Agreement with the BOJ to include provisions to address the obligations under the FIRA for discussion with the BOJ.
					Q1-Q4			<ul style="list-style-type: none"> Operationalize the Service Level Agreement with the BOJ

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.0 Leveraging Information and Communication Technology for Strengthening Operational Efficiency								
3.1 Complete Payout Management Information System Development and Implementation Activities	IRIR	PMIS Team, ICT Staff, ICT Consultant/SME		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Procure ICT Firm to complete development and implementation activities for PMIS Version1 (if necessary). Finalize development and implementation activities.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Prepare post implementation report and submit to COM. Commence system enhancement activities to release PMIS version 2 if required.
							Q1-Q4	<ul style="list-style-type: none"> Complete System Enhancement Activities to release PMIS version 2.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.2 Implement Range of Deposit Insurance Payment Disbursement Methods	IRIR	ICT Unit, ICT Firm, Accounts Unit			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Procure ICT Firm to develop and implement electronic bank transfer system (contingent on the compatibility of the features of the PMIS). Commence research to identify the use of other payment disbursement options and make recommendations for implementation.

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

3.3 Conduct Deposit Insurance Fund Adequacy Evaluation (Cont'd)	MRA	FFAM; IRIR; GCCSC;			Q2			<ul style="list-style-type: none"> Subject matter expert provides initial findings and recommendations to COM for consideration prior to finalization; Following receipt of final report from the subject matter expert, MRA prepares recommendation for submission to COM and Board.
					Q1-Q2	Q1-Q2	Q1-Q2	<ul style="list-style-type: none"> Complete the DIF adequacy evaluation internally Present findings and recommendations to COM and Board
3.4 Review of the Scope of Coverage and the Coverage Limit	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions; MoFPS		Q1-Q2				<ul style="list-style-type: none"> Finalize any changes in the Coverage Limit consistent with the Corporation's public policy objectives (subject to MOFPS approval of recommendations submitted in FY2019/20). Notify Member Institutions and other relevant stakeholders of any change and implementation timeframe. Complete Scope of Coverage Review regarding products being offered by DTIs, including credit unions, where these products have characteristics of deposit products.

TABLE 1								
CORPORATE PLAN FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.4 Review of the Scope of Coverage and the Coverage Limit (Cont'd)	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions; MoFPS		Q3-Q4				<ul style="list-style-type: none"> Commence review of the Coverage Rules Handbook to ensure clarity and fulsome understanding by depositors.
					Q1-Q4			<ul style="list-style-type: none"> Conduct research regarding the products covered by existing integrated protection schemes internationally in preparation for the potential expansion of the Corporation mandate to manage compensation schemes for the N-DTIs sector. Present findings and recommendations to the COM, and Board, where applicable. Notify Member Institutions and other relevant stakeholders of any changes in the scope of coverage and the implementation timeframe. Participate in public education campaign with Corporate Communications unit Prepare background information for the Legal unit to draft Regulation to include the Rules of Coverage.

TABLE 1							
CORPORATE PLAN							
FY2020/21- FY2023/24							
BUSINESS STRATEGIES Key Initiatives	Department(s)	Impact on Strategies	Implementation Time Frame Projection			Key Performance Indicators (KPIs)	
3.5 Prospective Member Institutions	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions; MoFPS				Q1-Q4	<ul style="list-style-type: none"> Reviews are not scheduled but are subject to changing market and operating conditions, as Member Institutions seek to offer more profitable and technologically driven products.
						Q1-Q3	<ul style="list-style-type: none"> Conduct review of the appropriateness of the coverage limit and scope of coverage having due regard to changing market conditions, the emerging and innovative trends in product developments and the trends of other deposit insurers. Obtain Board sign-off on any change regarding the findings and recommendations on the existing coverage limit and scope of coverage reviews. Prepare the necessary Ministerial Order, if a change to the coverage limit is recommended.
						Q4	<ul style="list-style-type: none"> Notify Member Institutions and other relevant stakeholders of any changes in the coverage limit and scope of coverage and the implementation timeframe. Operationalize and implement any change made to the Scope of Coverage, and Coverage Limit, should this be necessary.

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

3.6 Review of the Premium Assessment Rate	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions; MoFPS			Q1-Q2			<ul style="list-style-type: none"> Conduct review of the appropriateness of the premium assessment rate having due regard to the adequacy of the Fund and the developments in the macro economy. Obtain COM and Board sign-off on any change based on the findings and recommendations of the premium assessment rate review. Prepare the necessary Ministerial Order, if a change to the assessment rate is recommended.
					Q3-Q4			<ul style="list-style-type: none"> Notify Member Institutions and other relevant stakeholders of changes, if any, to the assessment rate and implementation timeframe.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Operationalize and implement any change made to the premium assessment rate, should this be necessary.

TABLE 1								
CORPORATE PLAN								
FY2020/21- FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.7 Examine the Feasibility of a Framework for Differential Premium Rates	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; FSC; Member Institutions			Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Continue research to determine the efficacy and suitability to implement a DPS. Update FY2014/15 research regarding the implementation of DPS for existing MIs as well as the continued monitoring of the credit union sector to determine the appropriateness to implement such a system for the sector. Follow-up with BOJ regarding its progress towards the implementation of Consolidated Risk-Based Supervision of DTIs.
3.8 Finance and Fund Management								
3.8.1 Implementation of Investment Software	FFAM			Q1-Q4				<ul style="list-style-type: none"> Develop business case Procure software. Implement software.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.9 Upgrade Human Resource Management Information System (HRMIS) and Payroll Software	FFAM	COM; FFAM		Q1-Q4				<ul style="list-style-type: none"> Develop business case. Procure new HRMIS and Payroll Software or procure upgrades to the current system (Subject to business case approval).
					Q1-Q4			<ul style="list-style-type: none"> Implement HRMIS software Train users and sensitise staff on the changes and usage of the HRM software to include the Appraisal System and Attendance Management System.
3.10 Accounting for Compensation Schemes	FFAM	COM; MRA			Q1-Q4			<ul style="list-style-type: none"> Review and update the Accounting and Payroll Manual to accommodate the establishment of compensation schemes Obtain approval and open Bank Accounts Open General Ledger Accounts to accommodate the processing for the separate and additional requirements.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.11 Records and Information Management (Cont'd)	FFAM	COM; All Staff		Q1-Q4				<ul style="list-style-type: none"> Complete outstanding manual implementation activities Engage firm to scan vital records Implement additional physical storage options for paper based records Engage a SME to assist with the implementation of the ERMS Organize electronic records, based on the Subject Classification Scheme Review and update the requirements specification to inform the procurement of an electronic records and Information system.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Procure electronic records and information system Start Implementation of electronic records and information system



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

3.11.1 Classification of Information Assets	FFAM	All Staff, COM		Q1-Q4				<ul style="list-style-type: none"> Address gaps identified during the RIMS manual Implementation Audit Implement ongoing Compliance framework for manual RIM Policy and Procedure
					Q1-Q4			<ul style="list-style-type: none"> Engage consultant to assist in implementation of electronic RIM Policy and Procedure Commence electronic implementation activities Identify appropriate software and leverage any existing tools

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.12 Review, Update and Simulate ICT Business Continuity Plan and Infrastructure	FFAM	All Staff; COM		Q1-Q4				<ul style="list-style-type: none"> Review and update of ICT Business Continuity Plan. Update ICT Business Continuity infrastructure configuration. Conduct ICT Business Continuity training. Conduct ICT Business Simulation. Simulate and test Business Continuity and recovery procedures.
3.13 ICT Security Policy Programme	FFAM	Internal Auditor; All Staff			Q2-Q4			<ul style="list-style-type: none"> Commission an independent comprehensive ICT Security Audit Review ICT Security Audit findings and Implement approved changes. Continue ICT security training.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
3.14 Development of ICT Bank Closing Process	FFAM	ICT; GCCSC; IRIR; FFAM			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Conduct an assessment of JDIC's ICT infrastructure, policies and procedures to ensure it supports the current resolution processes and prepare gap analysis Research and review resolution documentation from other Deposit Insurers. Make recommendations to address gaps Develop ICT policies and procedures to support resolution and commence implementation.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

4. Building Sustainable Human Resource Capacity								
4.1 Organizational Review, Job Evaluation and Reclassification	FFAM	COM; All Staff		Q1-Q4				<ul style="list-style-type: none"> Obtain approval Implement the Organization Review, Job Evaluation and Reclassification
4.2 Strengthening of the Human Resource Policies, Guidelines and Procedures Framework	FFAM	COM; All Staff		Q1-Q4				<ul style="list-style-type: none"> Draft TOR and engage SME to carry out a technical review of the Human Resource, Policies, Guidelines and Procedures Framework, identify any gaps and make recommendations Obtain the requisite approvals (COM and Board of Directors). Conduct staff sensitization session.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
4.3 Update of Performance Management and Development System	FFAM	COM; All Staff		Q1-Q4				<ul style="list-style-type: none"> Review the performance management appraisal process and update the documentation. Obtain COM approval for revision. Train and sensitise staff in the use of the revised forms.
4.4 Implement JDIC Staff Pension Scheme	FFAM	COM; All Staff; Trustees		Q1-Q3				<ul style="list-style-type: none"> Follow through on the establishment/implementation of the Pension Scheme. Develop policies relating to the administration of the Pension Scheme. Enroll eligible staff to the Pension Scheme and continue sensitizing sessions. Facilitate training of Trustees within the required timelines. Facilitate the Trustees making the required reporting and information sharing with Members on the operations and details of the Pension Scheme.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
4.5 Workplace Wellness and Employee Engagement	FFAM	COM; All Staff,		Q1-Q3				<ul style="list-style-type: none"> Develop and Implement approved Wellness Policy; Identify and engage health care provider; Engage physical fitness coach/launch Corporate Gym Membership Program cost per employee will be capped; Maintain Employee Assistance Program that targets mental health awareness and challenges. Sensitize staff to the benefits of completing executive medical profiles; and Invite medical professionals to conduct awareness seminars for all staff in order to gain buy-in; Host Annual Wellness Fair
4.6 Workplace Wellness and Employee Engagement - Health Insurance	FFAM	COM; All Staff,		Q1-Q3				<ul style="list-style-type: none"> Draft Policy and submit to Board of Directors for Approval Subject to Board approval, implement Retiree Health Insurance; Formalize Retiree Health Insurance contract with Health Provider; Sensitize employees to the benefits of Retirement Planning;



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
5. Public Education and Awareness								
5.1 Strengthen Social Media and Digital Advertising Campaign	GCCS	All Departments						<ul style="list-style-type: none"> Engage consultant/firm to continue work to execute a strategic digital media advertising campaign to promote the DIS and increase the Corporation's visibility among depositors and key stakeholders.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2020/2021 – FY2023/2024

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
5.2 Design Corporate Website (Darksite)	GCCSC	All Departments		Q1-Q4				<ul style="list-style-type: none"> • Prepare TOR and procure the services of a consultant/IT firm to design Dark Site • Engage consultant/IT firm to execute website design • Obtain COM sign off for the new website • Launch website (internally)
5.3 Redesign Outdoor Advertising (Public Transportation, Billboards and Bus Shelters)	GCCSC	All Departments		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> • Engage company/firm to design new advertisements for transportation, billboards and bus shelters. • Submit designs for Management review and approval. • Contract company/firm for placement of advertisements.
5.4 Produce Corporate Video	GCCSC	All Departments, Policyholders		Q1-Q2				<ul style="list-style-type: none"> • Develop TOR and engage Consultant/Firm to produce video. • Present video concept to COM for sign off and finalize video.
					Q1-Q4			<ul style="list-style-type: none"> • Air video on JDIC website and social media platforms and at Policyholder locations.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
5.5 Produce New Radio and Television (Mobile, Stationary and Bus Shelters) Advertisements	GCCSC	All Departments		Q1-Q4		Q1-Q4		<ul style="list-style-type: none"> Develop TOR and engage Consultant/firm to design/develop new radio and television advertisements Submit ad design/content to COM for approval Finalize radio and television ads for airing and artwork for placement on billboard.
5.6 Develop Radio Programme – Docu-Drama	GCCSC	All Departments		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Contact/engage JIS for production of docu-drama Determine topics/areas for inclusion in series, programme schedule and submit to COM for approval In collaboration with JIS build out episodes and submit to COM for approval Promote and air radio programme
5.7 Schools' Programme								
5.7.1 Promote Book On 'Financial Systems' for Primary Schools	GCCSC			Q1-Q4				<ul style="list-style-type: none"> Continue to collaborate with the MOEYI to distribute the schoolbook to primary schools island wide and promote school book during Child's Month (Read Across Jamaica Day). Engage an SME to develop animated version of schoolbook.
					Q1-Q4			<ul style="list-style-type: none"> Develop survey instrument to evaluate effectiveness of the school book and accompanying DVD and conduct survey
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Seek the approval of the MOEYI to include the book on the primary school curriculum as a text book Work with the MOEYI towards the implementation of book in the school curriculum

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

5.7.2	Promote Financial Literacy Among Secondary and Tertiary Students	GCCSC	All Departments		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Conduct sessions/ make presentations on the JDIC and the DIS to secondary schools/other educational institutions (at least 2 per quarter). Develop and host Essay/other Competitions for Secondary Schools.
5.8	Policyholders' Training Programme	GCCSC	MRA, IRIR, FFAM, ICT, Policyholders		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Host at least two (2) Policyholders' Training Seminars annually.
						Q1-Q4			<ul style="list-style-type: none"> Prepare TOR to procure services of a consultant to develop content/ training material for online training programme Present training material to COM for approval Draft new/update existing Policyholders training manual
							Q1-Q4		<ul style="list-style-type: none"> Liaise with consultant/ICT to acquire software/platform/application to facilitate the build-out of the online training platform. Conduct in-house test of training programme to identify any errors/gaps, address issues where necessary and prepare a report on findings for COM review/approval

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

5.8 Policyholders' Training Programme (Cont'd)	GCCSC	All Departments					Q1-Q4	<ul style="list-style-type: none"> Upload training material to JDIC's website Inform Policyholders of online training programme and conduct tutorials with their respective training Departments Develop online questionnaire to assess the effectiveness of the programme.
5.9 Host Public and Stakeholders Forum	GCCSC	All Departments, BOJ, FSC, JSE		Q2-Q4	Q2-Q4	Q2-Q4	Q2-Q4	<ul style="list-style-type: none"> Identify target audiences and messages/theme; suitable locations and develop/update data base and prepare invitations to attendees/stakeholders to attend forum. Promote Forums through advertisements in print/electronic and social media. Host forums and prepare Evaluation Reports
5.10 Community Interaction - Rural Bus Tours	GCCSC	MRA, IRIR, FFAM, Policyholders, Other Stakeholder groups		Q2-Q4				<ul style="list-style-type: none"> Develop plan for selecting communities/locations/events. Make contact with community groups, Policyholders Member Institutions or other interest groups and make necessary arrangements for tour. Publicise/ promote/brand tour (can also promote through JIS radio programme). Host tours/community events and prepare evaluation reports for submission to COM.

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	

5.11 Admission of Credit Unions to the Deposit Insurance Scheme (Subject to BOJ Admission Timetable for Credit Unions)	GCCS	All Departments, JCCUL, BOJ, Credit Unions		Q1-Q4				<ul style="list-style-type: none"> Engage SME to review and update the Public Education Programme for Credit Unions as may be required. Implement advertising campaign to include press briefing, production/airing of radio and television ads and placement of print ads. Update website to include background information, the institutions covered, coverage limit and other FAQs and answers. Update brochures and other DIS literature and disseminate to credit union members/staff. Conduct DIS training of credit union staff in strategic locations island wide. Update/utilize the Corporation's social media channels (Facebook Instagram, Twitter, YouTube,) to support the messages in the print and electronic media. Host Public Forums/ Town Hall meetings targeting credit union members.
					Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Continue JDIC staff training for credit union employees Hold Public Fora/ Town Hall meetings

TABLE 1								
CORPORATE PLAN								
FY2020/21-FY2023/24								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2020- 2021	2021- 2022	2022- 2023	2023- 2024	
5.12 Increase Public Awareness and Transparency of JDIC'S Role in Resolution in Collaboration With The IRIR Department	GCCS	All Departments, FSC, BOJ				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Develop plan for rebranding of the Corporation Develop/ implement public education strategy for Compensation Schemes – Insurance Industry and other sectors (as per admission timetable). Develop training manual for staff of Insurance Companies and other Sectors (as per admission timetable). Develop new/modify existing messages for print and electronic media.
5.13 Public Education and Awareness Survey	GCCS	All Departments			Q2-Q4		Q2-Q4	<ul style="list-style-type: none"> Engage the services of survey house to conduct national public awareness survey of the JDIC and the DIS, including measuring stakeholder confidence. Work with survey house to draft and finalise questionnaire and obtain COM sign off. Present findings by survey house to the COM and Board of Directors, highlighting improvements / gaps in programme. Amend public education programme as required and implement.



TABLE 2
CORPORATE SCORECARD
FY2020/21

TABLE 2 – CORPORATE SCORECARD FY2020/2021				
	BUSINESS STRATEGIES Key Initiatives	Budget Reference Page	Implementation Timeframe	Key Performance Indicators
1.	PROACTIVE READINESS & RESOLUTION MANAGEMENT			
1.1	Continue the Phased Implementation of Standard Record-Keeping Guidelines and Compliance Framework for Policyholders		Q1-Q4	<ul style="list-style-type: none"> Revise the Recordkeeping Guidelines and Compliance Framework and submit to Policyholders and other stakeholders for consultation. Finalize the Guidelines and Compliance Framework incorporating feedback from the consultation process.
1.2	Engage Member Institutions, Nominees and Trustees to Ensure Their Operations Allow for Separate DI Coverage for Beneficiaries		Q1-Q4	<ul style="list-style-type: none"> Develop procedural guidelines for member institutions and the professional intermediaries acting as trustees and nominees on their obligations disclosure and recordkeeping requirements (include specifications for data format). Develop and implement strategies for increasing stakeholder awareness.
1.3.	Strengthen the Resolution Management Framework	167		
	1.3.1 Make Proposals for Legislative Amendments to Ensure the Corporation has the Necessary Powers to Act in Resolution		Q1-Q4	<ul style="list-style-type: none"> Finalize and submit to the MoFPS proposals for the promulgation of DIA Regulations and consequential amendments to the DIA for the specific provisions and based on the schedule agreed with the Legal Unit and MoFPS (Some initiatives may require prior stakeholder consultations). Conduct stakeholder sensitization activities.
	1.3.2 Continue to Develop Internal Policies Processes and Pre Drafted Legal Documents, Notices and Other Material for a Resolution Toolkit		Q1-Q4	<ul style="list-style-type: none"> Draft resolution policies, processes, legal and other documents based on work plan and develop the Resolution Toolkit. Submit policies, processes and documentation for requisite internal approvals (COM, Board) and stakeholder consultations if required.
	1.3.3 Develop a Member Institution Management Information System (Business Intelligence Software)		Q1-Q4	<ul style="list-style-type: none"> Review and update the Corporation's information needs, techniques and processes to conduct data analysis for the resolution of non-viable member institutions Develop business requirements document. Develop business case Develop project plan.
	1.3.4 Increase Public Awareness and Transparency of JDIC's Role In Resolution		Q1-Q4	<ul style="list-style-type: none"> Draft inputs to be included in the Corporation's public education material; presentations media publications and website to increase awareness of JDIC's role in resolution.

1.4	Conduct Crisis Communication Training and Simulation Activities <i>(Refer Corporate Communication Unit Plan)</i>	-	Q1-Q4	<ul style="list-style-type: none"> • Prepare TOR and engage consultant to plan the simulation activities. • Develop crisis scenarios and simulation plan. • Conduct simulation. • Prepare simulation report - document findings and proposed action plan. • Implement corrective actions based on functional area.
1.5	Credit Union Admission to the Deposit Insurance Scheme	169	Q1-Q4	<ul style="list-style-type: none"> • Finalize the design features for credit unions' admission prior to the passing of the proposed CUSPA and admission to the DIS, in collaboration with the MoFPS, BOJ and JCCUL. • Continue to review the DIA to ensure that the provisions of the CUSPA are consistent with the DIA. • Continue the process for the admission of credit unions to the DIS, consistent with the BOJ/MOFPS licencing process. • Continue the build-out of the JDIC PRAF to include credit unions.
1.6	Update the Monitoring and Risk Assessment Policies and Procedures and the Policyholder Risk Assessment Framework (PRAF) and Compliance Framework	-	Q1-Q4	<ul style="list-style-type: none"> • Continue collaboration with the BOJ to determine the risk profile of the credit union sector, and the assessment standards, and update the PRAF for any nuances relating to the credit union sector. • Continue collaboration with the JCCUL regarding information sharing. • Develop reporting schedule in collaboration with BOJ, JCCUL and credit union members. • Continue formal monitoring and reporting on key financial indicators and overall position of individual credit unions and the credit union sub-sector. • Continue the updating/developing of policy and procedure documents, as appropriate. • Start sensitization sessions with credit unions regarding compliance and reporting consistent with the DIA. • Review and update the Membership and Admission Policy to treat with monitoring of expanded delivery channels such as Agent Banking being offered by Member Institutions and submit for approval.
1.7	Implement Member Institutions' Business Intelligence Software (MIBIS) for Monitoring, Risk Assessment and Resolution	179	Q1-Q4	<ul style="list-style-type: none"> • Engage Business Analyst • Develop business case to refine the Corporation's information needs, assess available technology/shared services and determine procurement methodologies/options.
1.8	Establishment of Compensation Schemes		Q1-Q4	<ul style="list-style-type: none"> • Continue to collaborate with the FSC to address the weaknesses identified in the 2010 Recommendation, by the MOFPS and other stakeholders.

				<ul style="list-style-type: none"> Provide technical input to develop the Terms of Reference and scope of work for potential subject matter expert(s).
1.9	Review and Maintain the Contingency Funding Plan (CFP) for Resolution		Q1-Q4	<ul style="list-style-type: none"> Update the CFP to incorporate the Corporation's resolution funding obligations (to include provisions in the FIRA). Continue collaboration with the Minister/MoFPS/PIOJ and relevant Government Agencies to clarify prevailing GOJ policy as it impacts lending terms and conditions for obtaining loans from Regional and Multi-Lateral Lending Agencies. Obtain funding information, terms and conditions from other potential lending sources and borrowing options and further update CFP. Integrate the CFP with the JDIC's Crisis Management Framework.
1.10	Conduct Deposit Insurance Fund Adequacy Evaluation		Q1- Q2	<ul style="list-style-type: none"> Engage the services of an independent subject matter expert to develop a methodology and conduct the evaluation of the adequacy of the DIF and make recommendations. Present initial findings and recommendations to COM for consideration prior to finalization. Following receipt of final report from the subject matter expert, MRA prepares recommendation for submission to COM and Board.
2. STRONG PARTNERSHIPS				
2.1	Collaborate with the CARICOM Secretariat and Member Countries to Develop a CARICOM Deposit Insurance Policy and Model Law	164-165	Q1-Q4	<ul style="list-style-type: none"> Provide technical input and support consistent with the CARICOM Technical Working Group.
2.2	Implement Service Level Agreements for Information Sharing with Central Bank	-	Q1-Q4	<ul style="list-style-type: none"> Update the draft Service Level Agreement with the BOJ to include provisions to address the obligations under FIRA for discussions with BOJ.
3. LEVERAGING INFORMATION AND COMMUNICATION TECHNOLOGY FOR OPERATIONAL EFFICIENCY				
3.1	Complete Payout Management Information System Development and Implementation Activities	177	Q1-Q4	<ul style="list-style-type: none"> Procure ICT Firm to complete development and implementation activities for PMIS Version1 (if necessary). Finalize development and implementation activities.
3.3	Finalize Framework for Establishing Advisory Panel		Q1-Q4	<ul style="list-style-type: none"> Draft expression of interest to serve on Advisory Panel and submit to SMEs.

				<ul style="list-style-type: none"> Develop template for terms of reference and engagement contract for members of Advisory Panel. Commence ongoing maintenance of pool of Advisors.
3.4	Review the Scope of Coverage and the Coverage Limit		Q1- Q4	<ul style="list-style-type: none"> Finalize any changes in the Coverage Limit consistent with the Corporation's public policy objectives (subject to MOFPS approval of recommendations submitted in FY2019/20). Notify Member Institutions and other relevant stakeholders of any change and implementation timeframe. Complete Scope of Coverage Review regarding products being offered by DTIs, including credit unions, where these products have characteristics of deposit products. Commence review of the Coverage Rules Handbook to ensure clarity and fulsome understanding by depositors.
3.5	Implementation of Investment Software		Q1-Q4	<ul style="list-style-type: none"> Develop business case Procure software. Implement software
3.6	Upgrade Human Resource Management Information System (HRMIS) and Payroll Software		Q1- Q4	<ul style="list-style-type: none"> Develop business case Procure new HRMIS and Payroll software or procure upgrades to the current system (subject to business case approval)
3.7	Records and Information Management	183	Q1- Q4	<ul style="list-style-type: none"> Complete outstanding manual implementation activities. Engage firm to scan vital records. Implement additional physical storage options for paper based records.
3.8	Review, Update and Simulate ICT Business Continuity Plan and Infrastructure		Q1- Q4	<ul style="list-style-type: none"> Review and update of ICT Business Continuity Plan. Update ICT Business Continuity infrastructure configuration. Conduct ICT Business Continuity training. Simulate and test Business Continuity and recovery procedures.
4.	BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY			
4.1	Organization Review, Job Evaluation and Reclassification		Q1-Q4	<ul style="list-style-type: none"> Obtain approval. Implement the Organization Review, Job Evaluation and Reclassification
4.2	Strengthen the Human Resource Policies, Guidelines and Procedures Framework		Q1-Q4	<ul style="list-style-type: none"> Draft TOR and engage SME to carry out a more technical review, of the Human Resource Policies Guidelines and Procedures Framework, identify any gaps and make recommendations Obtain the requisite approvals (COM and Board of Directors). Conduct staff sensitization session.

4.3	Update Performance Management and Development System		Q1-Q4	<ul style="list-style-type: none"> Review the performance management appraisal process and update the documentation. Obtain COM approval for revision. Train and sensitise staff in the use of the revised forms.
4.4	Implement JDIC Staff Pension Scheme		Q1-Q3	<ul style="list-style-type: none"> Follow through on the establishment of the Pension Scheme. Develop policies relating to the administration/implementation of the Pension Scheme. Enroll eligible staff to the Pension Scheme and continue sensitizing sessions. Facilitate training of Trustees within the required timelines. Facilitate the Trustees making the required reporting and information sharing with Members on the operations and details of the Pension Scheme.
5.	PUBLIC EDUCATION & AWARENESS	160-161		
5.1	Strengthen Social Media and Digital Advertising Campaign		Q1-Q4	<ul style="list-style-type: none"> Engage consultant/firm to continue work to execute a strategic digital media advertising campaign to promote the DIS and increase the Corporation's visibility among depositors and key stakeholders.
5.2	Design Corporate Website (Darksite)		Q1-Q4	<ul style="list-style-type: none"> Prepare TOR and procure the services of a consultant/IT firm to design Darksite. Engage consultant or IT firm to execute website design. Obtain COM sign off for new website Launch website internally.
5.3	Produce New Radio, Television and Billboard (Mobile, Stationary and Bus Shelters) Advertisements		Q1-Q4	<ul style="list-style-type: none"> Develop TOR and engage Consultant/firm to design new radio, television and billboard advertisements. Submit ad design/content to COM for approval. Finalize radio and television ads for airing and artwork for placement on billboards. Contract company/firm for placement of advertisements.
5.4	Produce Corporate Video		Q2-Q4	<ul style="list-style-type: none"> Develop TOR and engage Consultant/Firm to produce video. Present video concept to COM for sign off and finalize video.
5.5	Schools' Programme		Q1-Q4	
	5.5.1 Promote Book on Financial Systems for Primary Schools			<ul style="list-style-type: none"> Continue to collaborate with the MOEYI to distribute the schoolbook to primary schools island wide and promote school book during Child's Month (Read Across Jamaica Day).

				<ul style="list-style-type: none"> Engage an SME to develop animated version of schoolbook.
	5.5.2 Promote Financial Literacy Among Secondary and Tertiary Students			<ul style="list-style-type: none"> Conduct sessions/ make presentations on the JDIC and the DIS to secondary schools/other educational institutions (at least 2 per quarter). Develop and host Essay/other Competitions for Secondary Schools.
5.6	Host Public and Stakeholders Forum		Q1-Q4	<ul style="list-style-type: none"> Identify target audiences and messages/theme; suitable locations and develop/update data base and prepare invitations to attendees/stakeholders to attend forum. Promote Forums through advertisements in print/electronic and social media. Host forums and prepare evaluation Reports.
5.7	Admission of Credit Unions to the Deposit Insurance Scheme (Subject to BOJ Admission Timetable for Credit Unions)		Q1-Q4	<ul style="list-style-type: none"> Engage SME to review and update the Public Education Programme for Credit Unions as may be required. Implement advertising campaign to include press briefing, production/airing of radio and television ads and placement of print ads. Update website to include background information, the institutions covered, coverage limit and other FAQs and answers. Update brochures and other DIS literature and disseminate to credit union members/staff. Conduct DIS training of credit union staff in strategic locations island wide. Update/utilize the Corporation's social media channels (Facebook Instagram, Twitter, YouTube,) to support the messages in the print and electronic media. Host Public Forums/ Town Hall meetings targeting credit union members.

PART C

(Satisfaction of Items 7, 8, 9, 10, 11 & 12 of the First Schedule of the PBMA)

Item 7

A statement of the principles adopted in determining the annual dividend or surplus, together with an estimate of the amount or proportion of annual after tax earnings (from both capital and revenue sources) and is intended to be distributed to the government.

Item 8

The kind of information to be submitted to the responsible Minister by the public body during the course of the financial year, including the information to be included in each half-yearly report

Item 9

The procedures to be followed before the public body or any of its affiliates subscribe for, purchase or otherwise acquire shares in any company or other organization.

Item 10

Any activity for which the board of directors seeks compensation, such as agency fees, from the Government (whether or not the Government has agreed to provide such compensation)

Item 11

Such other information as is agreed by the responsible Minister and the board of directors

Item 12

An estimate of the current commercial value of the Government's investment in the public body and its affiliates and a statement of the manner in which that value was assessed.

**INFORMATION REQUIRED UNDER THE
FIRST SCHEDULE OF THE PUBLIC BODIES MANAGEMENT AND ACCOUNTABILITY ACT**

Public Bodies Management and Accountability Act

Section 7

First Schedule

Items 7, 8, 9, 10, 11 and 12

Item 7

A statement of the principles adopted in determining the annual dividend or surplus, together with an estimate of the amount or proportion of annual after tax earnings (from both capital and revenue sources) and is intended to be distributed to the government.

A Deposit Insurance Fund is established pursuant to Section 17 of the Deposit Insurance Act. Under this provision payment into the Fund consist of premiums paid by financial institutions which are JDIC Policyholders; advances made by Government; the proceeds of investments made out of the Fund; amounts that might be borrowed by the Corporation and amounts that might be realized from the liquidation of the assets of Policyholders.

This section also provides what can be charged to the Fund. This includes payments to depositors, repayment of principal and interest on amounts borrowed by the Corporation for the purposes of the Fund, any other payments legally due to a policyholder or third party arising from the administration of the Fund and payments of expenses incurred by the Corporation in the exercise of its functions under the Deposit Insurance Act.

The Corporation is therefore not obliged to transmit any of its funds to the Government except where it may have previously received advances from the Government.

The annual surpluses of the Corporation are derived from interest payments that accrue to investments of the Fund.

Item 8

The kind of information to be submitted to the responsible Minister by the public body during the course of the financial year, including the information to be included in each half-yearly report.

Under Section 6 of the Deposit Insurance Act the Corporation is obliged to furnish to the Minister of Finance and Planning, such operating plans and forecasts, returns, accounts and other information as the Minister may require with respect to the property and activities of the Corporation and to afford to the Minister facilities for verifying such information in such manner and at such times as he may reasonably require.

No such requirement has been made of JDIC to date.

Under Section 10(1) and 10(4) of the Deposit Insurance Act the audited accounts of the Corporation must be sent to the Minister.

Under section 11 of the Deposit Insurance Act the Corporation shall within three months of the end of each financial year provide the Minister with a report dealing generally with the activities of the Corporation during the preceding financial year. The Corporation provides this information in the form of its Annual Reports.

Under section 23 of the Public Bodies Management and Accountability Act the JDIC is required to submit Quarterly and Half Year Reports to the Minister of Finance and Planning. The Corporation is in compliance with this requirement.

Item 9

The procedures to be followed before the public body or any of its affiliates subscribe for, purchase, or otherwise acquire shares in any company or other organization.

The Corporation has no power to acquire the shares of any company or other organization.

Item 10

Any activity for which the Board of Directors seek compensation, such as agency fees, from the Government (whether or not the Government has agreed to provide such compensation).

This is not ordinarily the case for the Corporation and to date no such agency fees have been sought by any member of the Board of Directors.

Item 11

Such other information as is agreed by the responsible Minister and the Board of Directors.

At this time the Minister has not required any information of the Corporation other than is required as provided at item 8 of the Schedule.

Item 12

An estimate of the current commercial value of the Government's investment in the public body and its affiliates and a statement of the manner in which that value was assessed.

On the establishment of the Corporation, pursuant to Section 9(1) of the Deposit Insurance Act the Government subscribed one million Jamaican dollars as the authorized capital of the Corporation. Under section 9(2) the Minister may after consultation with the Corporation, from time to time by order subject to negative resolution, increase the amount of the authorized capital of the Corporation. To date no such order has been made.