



JAMAICA DEPOSIT INSURANCE CORPORATION

JDIC...Protecting Deposits for You and Me.



FINAL CORPORATE PLAN, OPERATING AND CAPITAL BUDGETS FY2021/2022 - FY2024/25





FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

At its Corporate Planning meeting held on November 2, 2020 the Committee of Management and other team members examined the Corporation's Vision and Mission Statements, developed when the Corporation was established in 1998. It was determined that there was need for a revision for both to reflect the Corporation's longer term objectives and its current operations in a dynamic financial environment. Below are the current and revised/proposed Vision and Mission Statements:

CURRENT	REVISED/PROPOSED
<p>VISION</p> <p>To promote and inspire financial system confidence and stability.</p>	<p>VISION</p> <p>To protect depositors and contribute to the highest levels of financial system confidence and stability in Jamaica; leveraging Financial System Safety Net partnerships and recognizing consumer expectations.</p>
<p>MISSION</p> <p>The Jamaica Deposit Insurance Corporation is committed to:</p> <ul style="list-style-type: none"> • 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 <p>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.</p>	<p>MISSION</p> <p>In contributing to the stability and confidence in Jamaica's financial system the Jamaica Deposit Insurance Corporation will:</p> <ul style="list-style-type: none"> • Protect insured deposits against loss due to the non-viability of Deposit Taking Institutions; • Facilitate the resolution of non-viable Deposit Taking Institutions consistent with governing legislation and international standards; • Manage the Deposit Insurance Fund consistent with its statutory objects; • Support the promotion of financial consumer protection and financial inclusion; • Take such necessary steps to minimize its exposure to loss. <p>To execute its Mission, the Corporation will create a knowledge management environment which promotes excellence in professional and technical expertise and allow employees to realize their full potential.</p>

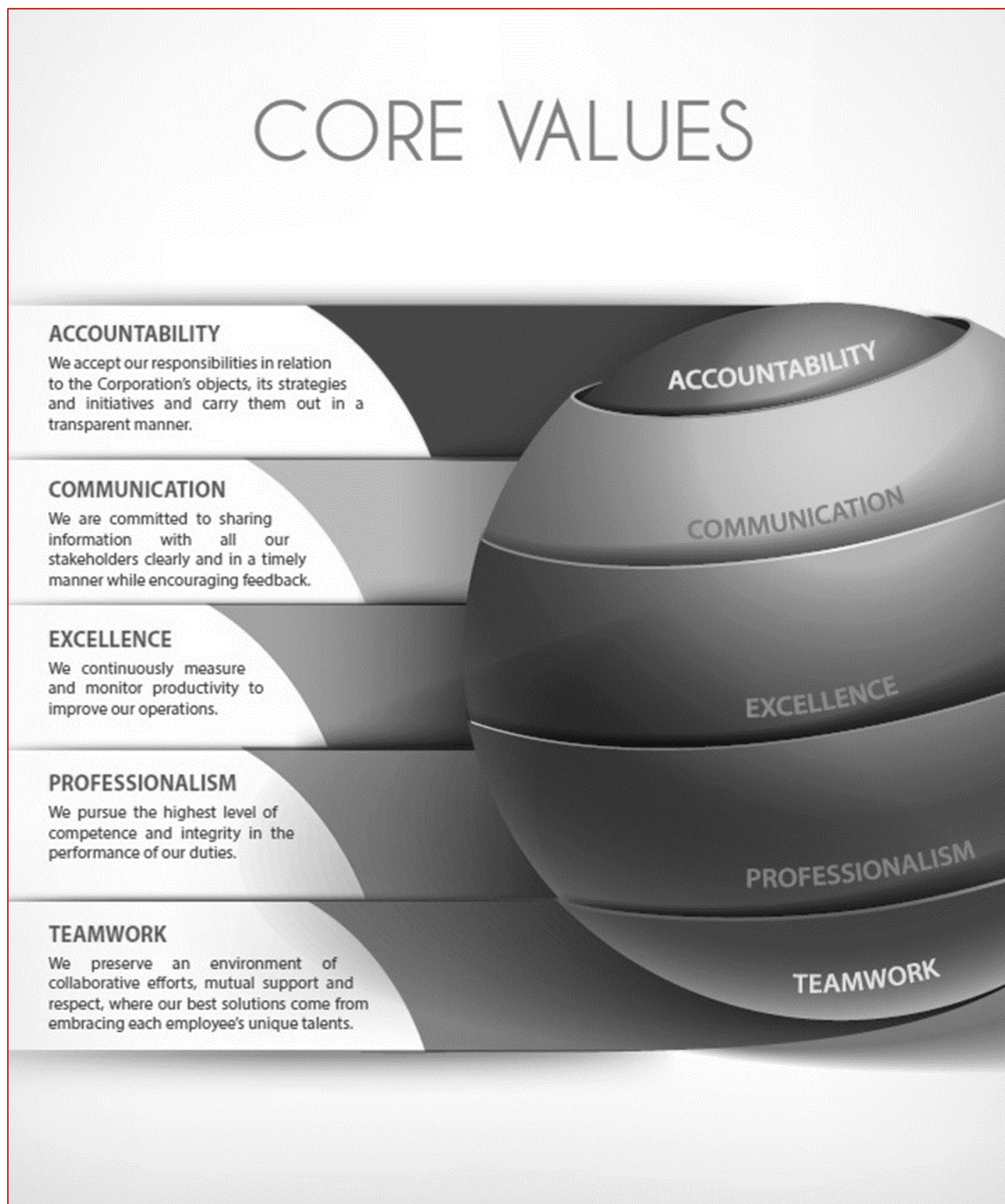




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ABBREVIATIONS

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
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
IADI	International Association of Deposit Insurers
IMF	International Monetary Fund



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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
PBMA	Public Bodies Management and Accountability Act
PRAF	Policyholders' Risk Assessment Framework
SDR	Special Drawing Right
SRR	Special Resolution Regime



EXECUTIVE SUMMARY

Background

Throughout the period of the Corporate Plan FY2021/22 to FY2024/25 the primary object of the Jamaica Deposit Insurance Corporation (JDIC) will continue to be the protection of deposits as mandated under the Deposit Insurance Act (DIA) where Policyholders become insolvent. Adjunct to this are the JDIC's existing power to act as receiver and liquidator of these institutions and their holding companies and subsidiaries. The exercise of these powers will be coordinated with Bank of Jamaica powers as resolution authority and the appointment of JDIC as a resolution administrator under the impending legislation (the FIRA) for reform of the resolution framework for non-viable financial institutions in Jamaica. JDIC will therefore remain critical to the country's financial system safety net and public administration mechanism for engendering and maintaining depositor confidence and financial system stability.

As the public body with the chief mandate for the guarantee of insured deposits, JDIC recognizes that financial consumer expectations are exponentially evolving, including with the continued financial sector enhancements to business models, and adoption of new ones along with the increasing use of fintech by both financial institutions and non-financial firms and also with the efforts of Government for financial inclusion towards economic development. Within this context JDIC must enhance its own business model and operations to enable it to advance responsive public policy and implement timely initiatives consistent with appropriate legislative underpinning to be able to give recognition to consumer expectations. This will serve to assure desirable levels of protections to depositors and evolve the scope of financial system protections that will ensure confidence and financial stability as financial systems and markets evolve. This will help facilitate the growth of the economy and the development of Jamaica for all citizens. In the above regard the JDIC also revised its Vision and Mission Statements to better communicate the ethos that underlies its commitments.

Environmental Scan, SWOT Analysis, Planning Assumptions and Enterprise Risk Management

The Corporate Plan is prepared against analysis of an environmental scan; SWOT analysis; planning assumptions; environmental management activities and risk assessment and JDIC's prior year achievements.

The environmental scan encompassed a review and projections for global, regional and local economic developments and outlook and Policyholder performance. Second quarter of fiscal year 2020/21 was characterized by improved forecasts for the global economy. Jamaica's macroeconomic fundamentals continue to be impacted negatively as a result of the COVID -19 pandemic. Nonetheless, Policyholders remained solvent and adequately capitalized. Risks however remain as the extent of the impact of the pandemic, as well as how long it will last, both locally and globally, are uncertain. The environmental scan also incorporated review of key international best practice standards especially those for effective financial institution resolution and financial crisis preparedness and management; and emerging developments and trends in financial inclusion, financial innovation and technology and microfinance.

The SWOT analysis revealed strengths in governance; key members of staff with requisite expertise and robust and secure ICT infrastructure. On the other hand, an intractable weakness included staff recruitment and retention hampered by inadequate salary and benefits structure; while threats to the Policyholder business environment created by the COVID-19 pandemic continue to pose threats to Policyholder performance.

The planning assumptions relate to the expansion of the Corporation's mandate in a context of legislative developments for resolution of financial institutions and deposit insurance coverage to be made available to credit unions consequent on impending regulation of these institutions by the Bank of Jamaica under the proposed CUSPA legislation. The assumptions also include continued robust regulation and supervision of the banking system in the context of the adverse macroeconomic impact of the COVID – 19 pandemic.

The risk identification and validations sessions showed that the highest risk remained the Corporation's inability to fully implement a sustainable human resource strategy with the Organization Review and Reclassification Recommendations of 2018 to the MoFPS still to be approved. Another high risk area involved the Corporation's resolution capacity, but there are a number of legislative reform areas and internal and FSSN coordinated and on-going initiatives and operations relating to financial crisis management preparedness; depositor pay-out processes and collaborations with FSSN partners designed to mitigate this risk. The adequacy of the DIF remains a not insignificant risk, but there are ongoing initiatives to mitigate this as well. These and all other high risk areas are being addressed and will be progressed in the planning period.

Business Strategies FY2021/22 – 2024/25

Against this analysis the implications for the Corporation were identified and policy responses examined. The analysis revealed that the business strategies: (i) Proactive Readiness and Resolution Management; (ii) Building Sustainable Human Resource Capacity; (iii) Public Education and Awareness; (iv) Strong Partnerships; and (v) Leveraging Information and Communication Technology for Operational Efficiency, adopted in prior periods remained valid through the planning period.

Summary of Key Initiatives to Advance the Business Strategies FY2021/22 – 2024/25

The key initiatives under the strategy for Proactive Readiness and Resolution Management will include: the continued phased implementation of Standard Record Keeping Guidelines and Compliance Framework for Policyholders and engagement of all relevant stakeholder to ensure this implementation is effective; testing of contingency planning and crisis preparedness with development of SharePoint database and simulation of JDIC role as receiver and liquidator of non-viable and insolvent financial institutions; a multi-agency Financial Crisis Simulation with other FSSN partners; the strengthening of the resolution management framework through proposals for legislation specific to JDIC's role and the development of internal policies and procedures and guidelines for guiding the JDIC relationship with the Bank of Jamaica as Resolution Authority under the proposed FIRA;



implementation of Member Institutions' Business Intelligence Software and DIF Adequacy Evaluation. There will be other simulations related to depositor pay out and crisis communication.

The strategy for Strong Partnerships includes work with IADI and CARICOM member states for delivery of a Regional training seminar; participation in IADI's Capacity Building Programme; work with CARICOM Deposit Insurance Policy and Model Law; sign off on information sharing MOU with BOJ and engage in collaborations with Policyholders and other major stakeholders through fora and workshops.

The strategy for Leveraging Operational Efficiency through ICT includes: development of Business Intelligence software for monitoring and risk assessment and resolution management; implementation of range of deposit insurance payment disbursement methods; implementation of investment software, updated accounting software and human resource management and payroll software; implementation of records management software and electronic library; update to ICT security policy; review and update ICT Business Continuity Plan and Infrastructure; and development of ICT policies and procedures to address gaps in JDIC's role in bank closings.

The strategy for Building Sustainable Human Resource Capacity include the implementation of the recommendation for the organization structure and job reclassification, staff pension scheme; retiree health insurance policies; updating of human resource and performance management policies and workplace wellness initiatives.

The Public Education and Awareness strategy is being revamped with increased social media marketing and digital advertising; the production of new radio and television advertisements; development of a corporate video and a docu-drama for radio; promotion of financial education in secondary and tertiary institutions and distribution of a book on financial systems developed for the primary level students; phased rebranding of the Corporation with the inclusion of credit unions in the DIS and the later implementation of compensation schemes for the non-deposit taking sectors; a public education survey; Policyholder training; public fora and work on the National Financial Inclusion Council.



Financial Projections

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, being 15 basis points. The projection is for insurable deposits to grow by a conservative 8 percent each year in the planning period, after an actual growth rate of 13.25 percent for FY2020/21. It is expected that the due management of inflationary tendencies will continue with the Bank of Jamaica's inflation targeting regime for maintaining a range of 4 – 6 percent and interest rates will remain low with the Bank of Jamaica signal rate at .50 percent up to the end of the second quarter of FY2020/21. In recognition of the impact of the COVID – 19 pandemic on economic activity, investment income is projected to grow at a slower rate than the previous year with a weighted average yield of 5.94 percent on the JDIC investment portfolio at the beginning of the four-year period and 5.18 percent by the end of the period. The JDIC will continue review of 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 MoFPS 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 (total surplus over total income) is projected to remain comfortably around 80 percent in each year of the 4-year period of the plan. This is in the context of a net surplus of 88 percent at end FY2020/21 where significant expenditures were not undertaken due primarily to external approvals not obtained.



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 FY2024/2025 will reach approximately \$41.1 billion and represent 6.26 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 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 the 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 during the planning period. Total administration costs as a percentage of the DIF remains highly creditable around 2 percent as in prior periods. Total staff costs (salaries, benefits and staff training) 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, but this shows improvement toward the end of the period with the implementation of the various human resource initiatives implemented.

INTRODUCTION

Deposit insurance protection schemes first emerged in the 1930s¹. The design features of these schemes may differ across jurisdictions, for example in terms of structure, governance and funding; however, their ultimate *raison d'être*, as part of a country's safety net, is to contribute to financial system confidence and stability. Presently there are more than 140 countries with deposit insurance schemes, with some countries having more than one scheme; or alternatively the same scheme covering multiple countries in a particular region.²

Established in 1998, and the second deposit insurance organization in the region (DIC Trinidad and Tobago being the first), 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 limit (presently J\$1.2 M per depositor, per insured institution), 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 for the Corporation is 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 in restructurings relating to banks, their holding companies and subsidiaries. The DIA also mandates the establishment of a Deposit Insurance Fund (DIF/the Fund,) which the

¹ Literature suggest there were state sponsored insurance schemes going back to 1800s, e.g. the state of New York created a safety fund for banks operating in New York, which was meant to insure bank notes and major bank liabilities, but failed to provide protection during the panic of 1837. The FDIC was established in 1933. <http://documents1.worldbank.org/curated/en/548031537377082747/pdf/WPS8589.pdf>.

² <https://www.iadi.org/en/deposit-insurance-systems/dis-worldwide/>



Corporation manages, and from which the expenses of its operations and the conduct of its mandate are charged. The DIF, which as at September 30, 2020 was \$26.57 billion, is funded by premiums levied by JDIC on its Member Institutions (Policyholders), presently numbering 11 (8 commercial banks, 2 building societies and 1 merchant bank), whose deposits are covered under the DIS. Premiums which are paid annually are calculated at 15 basis points of total insurable deposits held by the Policyholder at December 31 and are due on April 1. 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.

THE FY2021/22 – 2024/25 CORPORATE PLAN

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 outlined above, as well as the required ongoing reforms to the financial system infrastructure consistent with *Jamaica's Vision 2030 National Development Plan*.

Financial System Reforms - Benchmarking International Standards

Jurisdictions such as Jamaica continue to implement reforms that comply with international standards, to minimize the potential for the occurrence and impact of financial crises. 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.

As per the reforms for resolution management, the Corporation continues to strengthen its resolution readiness framework and strategy. Under the DIA, the JDIC is required to act as receiver or liquidator for any Policyholder or of its holding company or subsidiary, arrange the restructuring of a non-viable Policyholder, provide financial assistance to effect decided resolution options; and reimburse insured depositors. Additionally, the JDIC's mandate and role in resolution will be expanded upon the passing the Financial Institution Resolution Act (FIRA). Under the FIRA, the BOJ is designated the resolution authority and the JDIC may be designated a resolution administrator. The FIRA also includes provision for the establishment of a resolution fund which the JDIC will manage.

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 profitability and economic development, but also significant risk; and with the COVID-19 pandemic now accelerating the pace and use of digitization, thereby increasing those risks. 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 and going forward greater reliance will be placed on the use of digital media platforms in delivering the programme.

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 FY2020/21 (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 although the Corporation's mandate remained the same, in a rapidly changing business environment there was need to revise its *Mission and Vision Statements*. However, the *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 FY2021/22 - FY2024/25 are:

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

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,*



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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 (FY2021/22).



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

❖ 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

Against the background of pre-existing trade and geopolitical tensions, the recession brought on by the novel Coronavirus (COVID-19) pandemic has exacerbated global economic complexities and the impact is likely to be severe. Further, the duration of the pandemic as well as the extent of the economic fallout remains uncertain. Contractions in output have been forecasted for most countries globally. It is likely that Caribbean countries will be some of the most adversely affected by this crisis because of their small size and lack of economic diversification. As a result, Caribbean countries may experience a relatively longer recovery period.³ Jamaica is likely to experience a major decline in output as key sectors such as tourism were essentially brought to a standstill in light of travel restrictions and other containment measures. The Government of Jamaica has projected a 7.9 percent contraction for the 2020/21 fiscal year.

Within the context of the global recession, the JDIC and other members of the FSSN⁴, continue to build out their crisis preparedness framework and communication plans as well as to enhance the regulatory framework for financial institutions. In this vein, the Bill, Credit Unions (Special Provisions) Act⁵ 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)⁶, in collaboration with the Financial Services Commission (FSC).

Notwithstanding the health and economic crisis, the financial system remained resilient with each Policyholder being adequately capitalized and solvent relative to key

³ Statement by Trinidad and Tobago to the G-24 Ministers and Governors' Virtual Meeting April 14, 2020

⁴ Includes the Ministry of Finance & the Public Service, the Bank of Jamaica, the Financial Services Commission and the Jamaica Deposit Insurance Corporation.

⁵ This will bring the Credit Union Sector under the regulatory ambit of the BOJ.

⁶ These include life insurance, general insurance and securities dealers.

prudential indicators. Additionally, the Bank of Jamaica has implemented several measures to support the liquidity needs of the Policyholders and stand ready if further intervention is required. During the planning period, the Corporation will continue to monitor the performance of its Policyholders and to build out of its resolution capacity within the context of the current economic reality and with due consideration to the risks that may be introduced or heightened as a result.

To effectively plan for the Corporate Planning Period FY2021/22 – FY2024/25, the Corporation conducted an environmental scan to guide an appropriate mix of strategies and policies for the four-year 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. Policyholders' Performance**
- 5. Other Developments in the Financial Regulatory Environment**
- 6. Deposit Insurance Best Practice Standards, Development and Trends**
- 7. Implications for the Corporation and Policy Responses**



1. GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

-4.4%

- 2020 characterized by economic contraction
- Higher than anticipated GDP outturns
- Recovery anticipated in 2021
- High degree of uncertainty

World output for 2020 is forecasted to decline by 4.4 percent reflecting a less severe contraction than had been previously forecasted in June. The improved forecast is owing to second quarter GDP outturns that are higher than was anticipated, particularly for advanced economies as activity began to improve soon after reopening from lockdowns. Advanced economies are projected to contract 5.8 percent while Emerging Market and Developing Economies are projected to contract 3.3 percent.⁷ Economic recovery is projected for 2021 with world output projected to increase by 5.2 percent. Of note, it is expected that all Jamaica's major trading partners will experience economic contraction in 2020 with the exception of China (see table 1).

**Table 1: Economic Growth of Jamaica's Major Trading Partners
2019 – 2025**

	2019	2020P	2021P	2025P
United States	2.2	-4.3	3.1	1.8
United Kingdom	1.5	-9.8	5.9	1.6
Canada	1.7	-7.1	5.2	1.7
China	6.1	1.9	8.2	5.5
P – Projections				

⁷ IMF World Economic Outlook, October 2020

2 REGIONAL DEVELOPMENTS AND OUTLOOK



- 2020 characterized by economic contraction
- Heavy reliance on tourism
- Exposure to weather-related shocks
- Recovery anticipated in 2021
- High degree of uncertainty

Consistent with global economic slowdown, it is anticipated that the Caribbean will experience significant contraction in 2020, with the greatest impact being felt in countries reliant on tourism. Border closures and other actions taken during the outbreak has had a substantial impact on the income sources in the Caribbean particularly travel, remittances and tourism.⁸ The IMF predicts a contraction of 5.4 percent in 2020 for the Caribbean. The impact of the unprecedented crisis is already being felt in labour markets in the region. According to the International Labour Organization, Latin America and the Caribbean is the region most affected in the world in terms of hours worked and labour income with approximately 34 million workers losing their jobs. Additionally, the region remains exposed to global risks such as political uncertainty, exposure to natural disasters and other weather-related shocks. The IMF predicts that the region will recover in 2021 with anticipated real GDP growth of 3.9 percent.⁹

2.1 Selected Regional Developments¹⁰

The financial system in the Caribbean is highly interconnected with cross-border banking operations and continued expansion among institutions across the region. A number of Jamaica's financial conglomerates have controlling interest and operations in other Caribbean jurisdictions. In light of this, the Corporation continues to monitor the developments in Caribbean counterparts for any potential impact on Jamaica's financial

⁸ Latin American Economic Outlook 2020

⁹ IMF World Economic Outlook, October 2020

¹⁰ These jurisdictions have established deposit insurance schemes and have trading relationships with Jamaica

system or the economy. Below is an overview of the performance of selected Caribbean countries which also operate a deposit insurance scheme.

Barbados

The complete halt in activity in the tourism sector combined with curfews and temporary business closures resulted in a decline in economic activity in the Barbadian economy in the first half of 2020. Preliminary data from the Central Bank suggests that economic output fell by 27 percent in the second quarter resulting in overall decline of almost 15 percent over the first six months of 2020. The financial system remained stable with a well-capitalized banking system and a modest increase in non-performing loans.¹¹ The IMF projects an 11.8 percent contraction for 2020 with 7.4 percent growth in 2021.¹²

The Bahamas

Similar to its Caribbean counterparts, the Bahamas' economic performance has been adversely affected by the COVID-19 pandemic and containment measures resulting in overall contraction in economic activity. Tourist-related activities were virtually halted as a result of global travel restrictions. In the Bahamian financial sector, banks' credit quality indicators improved as a result of loan deferral schemes for those impacted by the COVID-19 pandemic. However, the latest available data for the first quarter of 2020 revealed a contraction in banks' overall profitability, largely reflecting higher levels of provisioning for bad debt.¹³ The IMF projects a 14.8 percent contraction for 2020 with 4.6 percent growth in 2021.¹²

Trinidad and Tobago

In the Trinidad and Tobago economy, activity in the energy sector declined in the second quarter of 2020. Based on central bank report at the end of July, activity in non-energy sectors indicates uneven and fairly sluggish performance. Of note, the Financial and Insurance sector remained resilient.¹⁴ Consistent with the rest of the world, the global

¹¹ Central Bank of Barbados – Review of Barbados' Economic Performance – January to June 2020

¹² IMF World Economic Outlook – October 2020

¹³ Central Bank of Bahamas – Quarterly Economic Review – June 2020

¹⁴ Central Bank of Trinidad & Tobago – Economic Bulletin – July 2020

pandemic has had a dampening effect on output that is likely to persist into the final quarter of 2020. The IMF projects a 5.6 percent contraction for 2020 with 2.6 percent growth in 2021.

Guyana

In contrast to its Caribbean counterparts, the impact of the COVID-19 pandemic will not be as severe in Guyana, as the country recently began its offshore production of oil. The discovery of offshore oil vastly changes the economic development prospects of Guyana. The International Monetary Fund (IMF) estimates that despite the recent decline in world oil prices and the economic consequences of the COVID-19 pandemic, Guyana will see economic growth to the extent of 26.2 percent in 2020.¹⁵

3. DOMESTIC ECONOMIC DEVELOPMENTS AND OUTLOOK

The Jamaican economy declined by 18.4 percent in the second quarter of 2020 relative to the same period in 2019. This is following a 2.3 percent contraction in the first quarter of the year. The performance of the economy was largely due to the negative impact of the continued spread of the COVID-19 disease and the measures adopted island wide to limit its spread. Other factors that contributed to the decline in the economy were drought conditions which largely affected the Agriculture, Forestry & Fishing industry and the continued negative impact of the closure of Jiuquan Iron and Steel Company (JISCO) Alpart on the Mining & Quarrying industry.¹⁶ Labour force was negatively impacted with the unemployment rate increasing to 12.6 percent as at July 2020, up from 7.3 percent in January 2020 and 7.8 percent for the corresponding period in 2019. According to the International Labour Organization, when the greatest impact of the pandemic was felt, 75 percent of workers in the tourism sector in Jamaica lost jobs. Inflation rate has remained largely within the target of 4 percent to 6 percent. Core or underlying inflation has been trending upwards to 4.2 percent for the year to July 2020 and is consistent with the Bank's accommodative monetary policy stance. Inflation is expected to range between 4 percent to 6 percent up to March 2021 influenced by a deceleration in agriculture and processed food price inflation

¹⁵ IMF World Economic Outlook – October 2020

¹⁶ Statistical Institute of Jamaica Quarterly GDP Press Release

and higher imported inflation.¹⁷ Real GDP is projected to contract 7.9 for FY2020/21. The Government of Jamaica with consideration to the increasing impact of COVID-19 has, taken the decision to increase capital expenditure to support the economy as well as expenditure related to health, education and unemployment.

Table 2 below outlines the Government's projected economic growth out-turns for the periods FY2021/22 to FY2023/24.

Table 2: Jamaica's Medium Term Macroeconomic Profile				
	FY2020/21P	FY2021/22P	FY2022/23P	FY2023/24P
Real GDP Growth (%)	-7.9	4.2	5.1	2.9
Inflation: Annual Pt to Pt (%)	5.6	4.7	5.0	5.0
Primary Balance(% GDP)	3.1	6.3	8.3	6.4
Current Account (% of GDP)	-6.4	-6.9	-4.8	-4.0
Fiscal Balance (% of GDP)	-3.5	0.7	3.3	1.7
NIR (US\$ Mn)	2,375.8	1,897.0	2,115.1	2,050.9
Source: GOJ Fiscal Policy Paper FY2020/21 – Interim Report, October 2020				
<i>P – Projections</i>				

4. POLICYHOLDERS' PERFORMANCE

The COVID-19 pandemic may have an adverse impact on the financial system. The decline in economic activity has resulted in constraints for revenue generation in the entire economy, including the financial sector. Further, financial institutions face growing liquidity constraints and potential deterioration in asset quality.

The total number and the sector composition of Policyholders remain unchanged, at the end of June 2020. There were eleven (11) institutions: eight (8) commercial banks, two (2) building societies and one (1) merchant bank. Of note, JN Bank UK Ltd. (the UK's first Caribbean-owned commercial bank) and a subsidiary of JN Group, was issued a banking licence in December 2019. The official launch was on October 8, 2020. The bank is a separate entity from the existing JN UK Representative Office.

Total insurable deposits continued to grow, increasing by 13.3 percent year over year to \$1,131.3 billion at the end of 2019, based on the annual Survey of Insurable Deposits (the Survey). At the end of December 2019, domestic currency deposit holdings increased to

¹⁷ Bank of Jamaica – Quarterly Monetary Policy Report – June 2020

58.4 percent, further widening the spread of domestic versus foreign currency deposit holdings. At the end of March as the pandemic began to impact Jamaica and the performance of securities market, there was a sharp increase in deposit liabilities. At the end of June, deposit liabilities continued to increase albeit at a lower rate. In light of the potential increase in unemployment, insurable deposits may decline in subsequent quarters.

The banking system has remained resilient, with each Policyholder being adequately capitalized and solvent relative to key prudential indicators. The system's capital adequacy ratio (CAR) decreased from 14.6 percent at end June 2019 to 14.2 percent at end June 2020 and remained well above the regulatory minimum of 10 percent. Similarly, the primary ratio remained strong and above the regulatory minimum of 6 percent, declining 0.3 percentage points at the end of June 2020, relative to the corresponding period in 2019. Since the onset of the pandemic and with due consideration to its potentially negative impact on the financial system and the economy at large, the Bank of Jamaica proactively implemented several measures to maintain both Jamaica Dollar and foreign currency liquidity in the financial system. Additionally, with a view of the likely spill-overs of the ongoing pandemic on the performance of DTIs, the Bank of Jamaica and the JDIC have enhanced monitoring of the Policyholders, notwithstanding their adequate capitalization and solvency.

Policyholders' loan portfolio grew 13.8 percent between June 2019 and June 2020, while non-performing loans increased by 36.7 percent. While the increase in NPLs was significant, asset quality remained largely sound with a ratio of past due loans to total loans of 2.8 percent at the end of June 2020, a marginal 0.4 percentage points above the level at the end of June 2019 and well below the regulatory maximum of 10 percent. Provision for loan loss also remained adequate for the level of risk exposure in the system.

5. OTHER DEVELOPMENTS IN THE FINANCIAL REGULATORY ENVIRONMENT

5.1 Legislation tabled or to be tabled in Parliament which is of interest to the JDIC

Parliament was dissolved on August 13, 2020. All bills not yet gazetted will have to be re-tabled in Parliament. Some of these include:

- The Bank of Jamaica (Amendment) Bill
- The Co-operative Societies (Amendment) Bill
- The Credit Unions (Special Provisions) Bill
- The Micro Credit Bill
- The Financial Institutions Resolution Bill (not yet tabled in Parliament)
- The Occupational, Health and Safety Bill

5.2 The Bank of Jamaica (Amendment) Bill. 2018

During the period under review, the Bank of Jamaica (the Bank) assisted the Joint Select Committee of Parliament in reviewing the proposed amendments to the Bank of Jamaica Act (the Act). These amendments will, “modernise the operations of the Bank, strengthen its accountability, autonomy and balance sheet.” The proposed amendments will also revise the Bank’s mandate to identify the maintenance of price stability as the Bank’s principal objectives. Additionally, the mechanism by which Board members are to be appointed, the fit and proper requirements, the tenure and composition of the Board, will be amended. Express fit and proper requirements for executive management will also be provided for in the Act, once the Bill is passed¹⁸.

5.3 The Co-operative Societies (Amendment) Bill

The Co-operative Societies (Amendment) Bill (the Bill) will bring credit unions under the regulatory ambit of the Bank alongside the Credit Unions (Special Provisions) Bill. The Bill will

¹⁸ Bank of Jamaica Annual Report, 2019

limit the deposit-taking activities of co-operative societies that do not function as credit unions. The Bill is to be presented to Parliament with the Credit Unions (Special Provisions) Bill.

5.4 The Credit Unions (Special Provisions) Bill

Upon the promulgation of the Bill all Credit Unions will be under the regulatory and supervisory ambit of the Bank of Jamaica. The Bill provides for, licensing, capital, reserves, prohibited business, remedial and intervention processes and the role of specially authorized Credit Unions. Once the Bill has been passed and Credit Unions have been licensed under this new law, they will be required to become members of the Deposit Insurance Scheme (DIS).

5.5 The Micro Credit Bill

The Bill is intended to address privately-owned money-lending business operations in Jamaica, by placing them under the regulatory ambit of the Bank of Jamaica. The Bill will establish a legal framework, under which:

- Money-lending business operations will be licensed;
- Fit and proper requirements will be established for licensing purposes;
- Operating requirements for licensees will be established;
- Customer complaints will be addressed;
- Regulatory powers to conduct inspections, examine the records of licensees, impose regulatory sanctions for non-compliance and issue standards and guidance;
- A Code of Conduct will be provided for the money-lending services;
- Penalties with custodial sentences will be applicable on conviction for committing an offence.

5.6 The Occupational, Health and Safety Bill

It is a well-known common-law principle that an employer owes a duty of care to ensure that they provide to their employees a safe place and system of work. Currently there are many pieces of legislation that relate to the safety, health and welfare of employees within workplaces such as factories and the use of machinery. There has been a gap in the

legislative framework, as persons carrying out work outside of the environment of a factory such as offices, hospitals, or residential homes, etc. have not received legislative protection or guidelines, and their workspaces have not been regulated. Additionally, previously there was no provision regarding noise control and hazardous chemicals. The Bill seeks to fill this gap in the law, by providing legislative protection, rights, and procedures to enable the safety and health of all workers/employees by providing:

- Stringent guidelines for workplace safety
- Preventative measures that place emphasis on anticipation, recognition, evaluation and control of hazards arising in or from the workplace, that could possibly impair the health and well-being of workers, taking into account the possible impact of the surround community and general environment.

The Bill has been likened to risk management, as it requires persons who conduct or carry out business to identify risks, the level of risks involved and implement adequate internal controls.

5.7 The Financial Institutions Resolution Bill (not yet tabled in Parliament)

The Bill proposes enhancements to the current legal framework for the resolution of non-viable licensees under the Banking Services Act (financial holding companies and deposit taking institutions) and certain licensees under the Financial Services Commission Act (securities dealers and life and general insurance companies). The Bill seeks to ensure that the authorities have adequate powers and tools for the orderly and timely functioning of the resolution framework, to be better able to maintain stability of the financial system and protect public funds, as well as to better align Jamaica's financial system with international standards of best practice. This initiative is also one of several key reforms under the Government of Jamaica's Memorandum of Economic and Financial Policies (MEFP) to enhance the resilience and stability of the financial system.

6. DEPOSIT INSURANCE BEST PRACTICE STANDARDS, DEVELOPMENTS AND TREND

Globally and domestically emerging trends and developments in economies continue to shape financial markets, providing implications for: the legal and regulatory environment; access to financial services; financial consumer protection; and ultimately financial system

stability. These emerging trends and developments include the: growing complexity of the structure and interconnectivity of financial institutions, services and product offerings; increasing level of disruptions by financial technologies; and heightening exposure to non-financial risks such as cybersecurity risks, climate change and pandemics. The latter has been reinforced by the current and evolving challenges of the Coronavirus (COVID-19) pandemic that is impacting all aspects of social, economic and financial activities across the world.

It is against this background that as part of the strategic review and corporate planning process, the JDIC evaluates and assesses financial sector market trends and developments and responds to issues that present opportunities, challenges and risks relevant to its Mission. The Corporation also benchmarks its operations against the guidance and principles issued by international standard setting bodies. These developments and trends are summarized below along with an analysis of the implications for the Corporation's operations during this planning period.

6.1 Select Key International Standards and Supporting Guidance for Sound Financial Systems

The Corporation is guided by several key international best practice standards (refer Figure 1) in order to ensure transparency and efficiency in achieving its public policy objectives of protecting depositors and maintaining financial system confidence and stability. Of these, the Corporation benchmarks its operation on the following three main standards.

Figure 1 - key International Best Practice Standards



6.1.1 International Association of Deposit Insurers (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 in several areas including: public policy; mandate and powers; governance; membership; coverage; funding; and reimbursement. The CPs also recognize the greater role deposit insurers are now required to play in resolution and crisis preparedness and management as reinforced in the 2008 global financial crisis.

6.1.2 Financial Stability Board (FSB) Key Attributes of Effective Resolution Regimes for Financial Institutions

The *FSB Key Attributes (KA)* 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 reinforces the importance of ensuring authorities within a jurisdiction have access to a wide range of resolution powers and options, there is certainty and transparency in their application with the necessary safeguards, and express clarity and separation of the roles and responsibilities of all authorities involved in resolution.

6.1.3 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 Basel Accords are designed to ensure that financial institutions have enough capital to meet obligations and absorb unexpected losses. The implementation of the latest accord is Basel III, which requires banks to have a minimum amount of common equity and a minimum liquidity ratio has been deferred by one year to January 2023 as a result of the Coronavirus pandemic. These requirements seek to strengthen the resilience and resolvability of banks.

The JDIC conducts periodic self-assessments to ensure compliance with the IADI Core Principles and the FSB Key Attributes. In 2018 an assessment of Jamaica's financial sector was also conducted under the IMF Financial Sector Assessment Programme (FSAP)¹⁹ and included an assessment of the Deposit Insurance Scheme's level of compliance with the IADI Core Principles. The findings from the FSAP were largely related to gaps in the resolution framework for financial institutions and were consistent with the gaps highlighted in previous self-compliance assessments. Work is ongoing at the JDIC and inter-agency level to address the gaps with varying levels of progress made to date. A significant initiative in this regard being conducted jointly by the FSSN partners under the auspice of the FRC is the development of the Financial Institution Resolution Act scheduled for tabling in FY 2021/22.

Emerging Developments and Trends

6.2 Financial Inclusion, Financial Innovation and Technology

Given the impact of finance on macroeconomic performance and growth and also taking into account data highlighting the large number of persons globally that are unbanked (currently, approximately 1.7 billion) governments and supervisory authorities in emerging economies have been pursuing mandates and objectives to promote financial inclusion. Opportunities and solutions to financial inclusion have been created through the evolutions in financial innovations and particularly financial technology i.e. Fintech²⁰. On the other hand, challenges and emerging risks exist as digital financial services develop and this became even more relevant in the advent of the pandemic (IMF, 2020).

6.2.1 Financial Inclusion

Technology has expanded access to the unbanked as a significant number of people are able to conduct business through digital financial transactions using mobile phones

¹⁹ The FSAP programme is a joint initiative of the International Monetary Fund and the World Bank that provides a comprehensive framework through which assessors and authorities in participating countries can identify financial system vulnerabilities and develop appropriate policy responses.

²⁰ Fintech is defined as "technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services" (FSB).

and the internet, the opening of digitally enabled bank accounts, electronic retail payment systems, and digital identification. Of note however, these services are offered by financial and non-financial institutions and not all service providers are regulated.

In response to Covid-19 authorities and financial institutions around the world have been implementing measures to encourage the use of digital payments. These measures although initially intended to facilitate the use of digital payments during lockdown as well as alleviate the challenges associated with social distancing, have also provided new opportunities. Government payouts are being made through digital channels and know-your-customer procedures have been relaxed or at least made more risk-based providing an opportunity for more persons to have access to financial services. However, persons without access to the required technology to support digital services or continue to rely on cash have not been able to benefit from these initiatives. Additionally, financial inclusion has been impacted in some instances by the COVID-19 outbreak, by reducing the willingness or ability of some financial institutions (including microfinance) to provide financial products and services from physical locations to some parts of a population in jurisdictions.

6.2.2 Crypto Assets

In an effort to ensure an appropriate balance between the opportunities and risk posed by crypto assets, standard-setting bodies and other international organisations continue to work on a number of fronts, directly addressing issues arising from crypto-assets that include various types of crypto-currencies. These initiatives are mainly focused on regulation, supervision and oversight that promotes but are also proportionate to the risks. Areas of focus include investor protection, market integrity, anti-money laundering, bank exposures, market risks from volatility and financial stability monitoring. At the national level, authorities have chosen different approaches and taken various types of actions to encourage innovation but also address relevant risks. One challenge encountered in the existing analysis and monitoring of crypto assets is the scarcity of reliable data on banks' holdings of crypto assets as they are privately issued, generally not backed by a

central authority and in regard to cryptocurrencies do not perform all the essential functions of money. Some emerging types of crypto-assets include stablecoins and utility/settlement coins

Stablecoins are an attempt to address the high volatility of “traditional” crypto assets by tying their value to one or more other assets, such as sovereign currencies. In regard to Utility/Settlement Coins, major banks, individually and in groups, have accepted the need for change and are exploring the opportunities and/or are already holding tokenized assets on a blockchain to trade and settle with near-instant finality.

6.2.3 Central Bank Digital Currencies (CBDC)

CBDC is a digital form of central bank-issued currency and therefore is a legal tender. It is considered to be an identifiable liability of a central bank and equivalent in every respect to the paper currency. Therefore, as a legal tender, CBDC is fiat currency, which means it can be exchanged dollar for dollar with physical cash. There have been recent initiatives, where many central banks are continuing to look at the implications of this potential type of central bank money, a progressive yet cautious attitude among central bankers. A study by the Bank for International Settlements (BIS) from January 2020 shows that 80 percent of worldwide central banks are engaged in CBDC-related research. The percentage of central banks that run experiments or proofs-of-concept is also growing, reaching almost 50 percent²¹. 10 percent of the surveyed central banks plan to introduce a generally available (retail) CBDC in the next three years and 20 percent in the next six years.

6.2.4 Fintech Regulatory Sandbox (Sandbox)

Created by Central Banks, sandboxes encourage innovators to test new financial products that may not necessarily fit existing regulations in a controlled environment. As part of a broader package of initiatives, sandboxes could encourage innovation and

²¹ These included Bahamas, Barbados, China, France and Sweden.

spur competition, increase financial inclusion, and ensure an efficient and secure payments.

The increasing focus on financial inclusion, evolutions in financial innovations and use of financial technology, reinforces the need for: financial consumers to understand how to access and utilize appropriate financial products and services; robust regulatory safeguards to improve consumers' knowledge of their rights and responsibilities; ongoing financial literacy, public education and awareness programmes; and enhanced protection by deposit insurers and other compensation schemes. Collaboration among deposit insurers and other financial safety net partners in this regard will require renewed priority.

6.3 Heightened Guidance and Monitoring of Non-Financial Risks by Regulators: Covid-19 Pandemic; Climate Change; AML/CFT and Cybersecurity risks

The pandemic has brought heightened attention to the importance of implementing regulatory reforms to proactively respond to a number of other complex and significant emerging non-financial risks (NFRs). These include climate change, ongoing concerns about fraud, money laundering, corruption and market conduct issues, and cybersecurity. The FSB has also reported that some authorities are focusing more on including climate risks and other non-financial risks in their financial stability monitoring and some are starting to quantify these risks. Notwithstanding, further work is required to assess the availability of data and develop the micro prudential and macro prudential instruments to monitor the inherent uncertainty of NFRs

Since COVID-19, a number of regulatory authorities have called on banks to enhance their resilience efforts to deal with non-financial risks. The Federal Deposit Insurance Corporation and the Federal Reserve Board have requested its largest and most complex domestic banking organizations to integrate changes and lessons learned from the coronavirus response into resolution plans due in 2021. The European Central Bank (2020) and Monetary Authority of Singapore (2020) recommend that banks proactively assess

and test the capacity of existing IT infrastructure, in the light of a potential increase of cyber-attacks since the pandemic, such as email scams, phishing and ransomware attacks. The Bank of England has been building its capacity to proactively deal with the implications of climate change for financial stability.

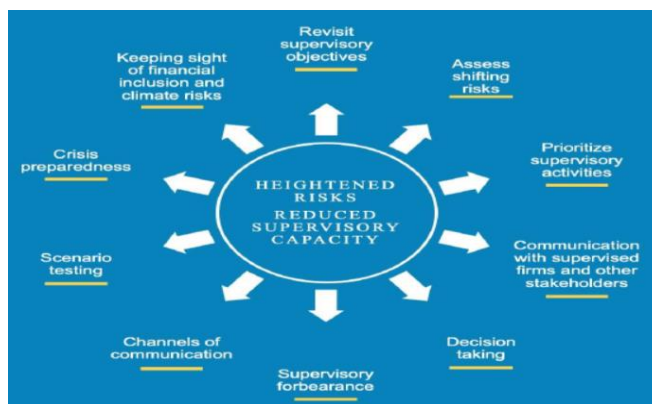
The focus on NFRs will seek to strength the supervision and the resolution regime and ultimately the effectiveness of a deposit insurance system. Strong prudential regulation and supervision ensure that an institution's weaknesses are promptly identified and corrected. Deposit insurers that have resolution powers should also include NFRs in their risk monitoring and early warning and intervention mechanisms for bank failures. However, this requires well-coordinated supervisor and deposit insurer relationships. This is becoming even more important as deposit insurers seek to comply with international standards and achieve public policy objectives by providing high coverage levels for protecting depositors, they are being exposed to higher risk that needs to be mitigated.

6.4 Supervision, Resolution and Crisis Management – the New Normal

6.4.1 Supervision

Supervising the new normal requires authorities to plan for, and react to, the constantly changing environment, and to identify the varied impacts on individual supervised firms, while adapting their own practices with the help of technology (Toronto Centre, 2020). This is in an environment that requires supervisors to deal with heightened and complex risks, albeit with reduced capacity consequent to the pandemic²² and other factors.

²² Toronto Centre's Guide to Supervision in the COVID-19 World.



These constraints have served to increase interest in SupTech and RegTech. the application of new technologies to help authorities to improve their supervisory capabilities (SupTech) and by institutions to meet their regulatory requirements – known as 'RegTech'. Authorities and regulated institutions have both turned to these technologies to help them manage the increased regulatory requirements that were put in place after the 2008 financial crisis. Based on a survey of FSB members, the majority of respondents had a SupTech, innovation or data strategy in place, with the use of such strategies growing significantly since 2016. SupTech and RegTech tools have important benefits for financial stability. For authorities, the use of SupTech could improve oversight, surveillance and analytical capabilities, and generate real time indicators of risk to support forward looking, judgement based, supervision and policymaking. For regulated institutions, the use of RegTech could improve compliance outcomes, enhance risk management capabilities and generate new insights into the business for improved decision-making. In some jurisdictions authorities have been able to deploy these solutions to support remote working, crisis response and enhanced surveillance and supervision.

Given these benefits, SupTech is a strategic priority for an increasing number of authorities as well as RegTech for financial institutions. Looking to the future, a range of themes have been emerging in the development of SupTech and RegTech strategies. These include the importance of senior management buy in, promoting a culture of data management, attracting and retaining staff with core data analytics skills, collaboration among authorities to leverage technology and develop centralized data repositories, and the early engagement with users of tools e.g. supervisors, regulated institutions and technology vendors.

6.4.2 Resolution and Crisis Management

"The current economic crisis differs starkly from the GFC and previous financial crises. On this occasion, it was not the financial sector that toppled the real economy, but rather the real economy that has threatened to topple the financial sector, with potentially devastating knock-on effects as financial sector problems spill back onto the real economy." (BIS Annual Economic Report 2020). However, the global financial system today is better capitalized and prepared to deal with a crisis, as well as authorities (i.e. central banks, supervisors, deposit insurers, resolution authorities and other members of financial system safety nets) are now more experienced in how to handle a fallout.

Reforms have strengthened bank-level (micro prudential) regulation, which has helped to increase resilience of individual banking institutions not just in terms of capital adequacy and liquidity (as prescribed under Basel) but advances in better stress testing; governance, accounting standards and resolution (FSB Key Attributes). Additionally, the responses of regulatory authorities to the pandemic have generally been swifter, bigger and broader-based than it was for the Global Financial Crisis (GFC). Banks, supervisors and deposit insurers have been adopting playbooks and conducting ongoing stress tests, table top exercises and simulations, test recovery and resolution plans and crisis management frameworks and implement their business continuity plans. Emergency liquidity funding and other policy reforms have been implemented. There has also been heightened immediacy to address gaps in crisis management and resolution frameworks.

These initiatives will continue to be a priority, as despite the various government containment measures, other policy and institutional responses to the pandemic, risks to financial stability remain elevated. This is particularly due to the intensification of the pandemic, uncertainty about its duration, and the increasing vulnerabilities in the non-financial sector. It is noted that banks are seen as one of the solutions as they are required keep the real economy afloat. However, the question is how resilient will banks continue to be, in an environment that may require extended periods for moratoriums; and has the potential for increasing non- performing loans, impairment of asset quality and flow of liquidity elsewhere. Against this background there is also significant focus by regulators on preventative measures to avoid bank failures. Regulators are also cognizant that government support for ailing companies, and prospectively for weak financial institutions, may create expectations that such support will be forthcoming in future crises, and thereby lead to an increase in risk-taking behaviours i.e. moral hazard.

Jurisdictions are assessing their existing crisis management and resolution frameworks with a view to strengthen or adopt some flexibility where there may be a need to apply resolution powers in response to the pandemic. This is also against the background that even before the Covid-19 emergency, there have been limitations/gaps in crisis management and resolution frameworks in some jurisdictions. These gaps include inadequate: domestic insolvency regimes for financial institutions, triggers for entry into resolution, safeguard of creditor's property rights, resolution funding, range of resolution powers and tools that all require enhancements, as well as, frameworks need to ensure more legal certainty.

7.0 IMPLICATIONS FOR THE CORPORATION AND POLICY RESPONSES - Looking further ahead: The New Normal

Jamaica's commitment to advance the National Financial Inclusion Strategy launched in 2017 has seen the ongoing implementation of regulatory reforms²³ to allow easier methods of online registration, electronic payment services and simplified customer due diligence requirements for account opening. This also includes the implementation of the National Financial Literacy Action Plan. The BOJ's recently established Fintech Regulatory Sandbox provides a controlled environment where technological financial innovations can be tested for viability while ensuring adequate consumer protection and data privacy before any introduction to the Jamaican economy.

The JDIC remains committed and involved in advancing the work on financial inclusion in partnership with the BOJ and other key stakeholders. The JDIC will continue to be proactive in monitoring and responding to the developments in digital finance. This includes the ongoing review and update to the scope of deposit insurance coverage and rules to align with product and service offerings and ensuring the public policy objective of the DIS is met; delivering and participating in robust public education initiatives in collaboration with other FSSN partners; continuing to research the implementation of an appropriately designed compensation scheme for the non DTI sector in collaboration with the FSC; and making other policy recommendations and regulatory reforms to enhance the protection of financial consumers.

²³ Banking Services (Deposit Taking Institutions) (Customer Related Matters) Code of Conduct



Information sharing and collaboration with BOJ, FSC and the MOFPS are integral to the Corporation's role and functions particularly in regard to monitoring Policyholders' performance, risk exposure to the DIF and for resolution and payout preparedness. There will also be a greater need for consultations between the JDIC and other regulators i.e. BOJ and the FSC consequent to the passing of the FIRA and the CUSPA. During the planning period the Corporation will continue to execute initiatives to enhance Policyholders' monitoring and information sharing mechanisms on a timely basis. The Corporation will also leverage technology to improve its risk monitoring and resolution frameworks consistent with its powers under the DIA and the proposed FIRA. This will focus on data gathering and data analysis to ensure the JDIC has access to the required information and the security and integrity of the data is maintained in a robust environment. Where appropriate, shared data services arrangements and service level agreements will be established with the BOJ and the FSC to improve information sharing and collaboration and reduce regulatory burden. The finalization of the implementation of the BOJ's consolidated supervisory framework as provided for under the BSA and that requires the establishment of a Financial Holding Company (FHC) for each financial group to which a DTI belongs will also improve the information sharing mechanisms among all FSSN partners.

It is not envisioned that the COVID- 19 pandemic will require the rolling back of policy proposals or compromise the underlying objectives of existing FSB Key Attributes in relation to the existing resolution framework and the joint FRC inter-agency initiatives to enhance the resolution regime. Albeit, policy responses may require some flexibility. Against this background during the planning period the JDIC will continue to focus on building its institutional capacity to carry out its role in resolution in accordance with its powers under the DIA and the FIRA. Initiatives will include developing and implementing policies, procedures and systems for JDIC to act as receiver and liquidator and to arrange for the restructuring of a Policyholder, its holding company or subsidiary. Also executing its roles as resolution administrator and resolution fund manager pursuant to the tabling of the FIRA. Collaborations with the BOJ, FSC and MoFPS will also continue in regard to the tabling and implementation of the FIRA. Key to JDIC's roles in resolution is



ultimately ensuring insured depositors are protected. The ongoing review and enhancements to the depositor reimbursement systems by leveraging technology and targeting the initiation of payouts in fourteen days with an ultimate target of seven days or less will also be prioritized.

The pandemic has created an opportunity to prioritize the testing of and address gaps in the crisis management frameworks at the agency and inter-agency levels. The Corporation will continue its annual simulations and contingency planning activities. An inter-agency simulation is scheduled for the planning period and provides an opportunity to test the National Financial Crisis Preparedness and Management Plan that falls under the remit of the FRC. The update of Plan (developed in 2015) was prioritized in FY 2020/2021 in response to the potential vulnerabilities posed by the pandemic.

SWOT ANALYSIS

The Corporation conducts ongoing assessments of its SWOT Analysis. For this corporate planning period, FY2021/22 – 2024/25, 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, including the IADI Core Principles for Effective Deposit Insurance Systems, the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions and the G20/OECD Principles of Corporate Governance. This provides the framework for and facilitates effective oversight, prudent management and compliance to ensure the Corporation's successful execution of its strategic objectives and delivery of its mandate.
- **Enterprise Risk Management** – During FY2020/21 the Corporation continued the implementation of its Enterprise Risk Management (ERM) framework developed during the prior period. The process included the engagement of a consulting firm to provide the services of a risk manager, appointment of a risk liaison officer and risk champions for the respective Departments and Units. Training and sensitisation sessions were delivered to all staff and this is a planned ongoing initiative. The JDIC recognizes that an overall, unified enterprise risk management programme consistent with sound corporate governance and international best practices is required to ensure that all risks facing the JDIC are identified and appropriately managed and align with the strategic objectives, risk appetite, decision making and resources. Against this background the ERM framework is owned and coordinated by the Executive Management Team, integrated into the managerial and formal reporting processes and embedded within the JDIC's culture.
- **Human Resource Capabilities and Strategies** – Key members of staff possess the requisite knowledge, experience and skills to execute the Corporation's mandate. The Corporation's

knowledge management culture ensures that capacity is sustained with continued focus on discrete initiatives to enhance the process for recruitment, training, retention and succession planning. The ongoing collaboration with other FSSN partners, deposit insurers and international agencies involved in the regulation and resolution of financial institutions creates a platform for, the exchange of expertise, training and development of team members.

- **Resolution Powers** – The Corporation's mandate and powers are not limited to reimbursement of insured deposits (that is, payout to depositors 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 insolvent²⁴. In acting in such capacity the Corporation may arrange for the restructuring of a member institution, by way of, *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 lesser cost than otherwise expected in the payout of insured depositors. During the planning period the Corporation will continue to pursue initiatives to enhance the resolution framework for financial institutions and its capacity to carry out its roles and responsibilities within the framework in line with international best practice standards. Integral to these initiatives is work being conducted in collaboration with the other FSSN partners. 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.
- **Depositor Reimbursement Systems** – The Corporation has been advancing initiatives geared towards strengthening its capacity to make prompt and accurate payouts to depositors. The first phase of the development of the Payout Management Information System (PMIS) was

²⁴ DIA Section 5(2)

completed in FY 2020/21. The PMIS facilitates the automation of the processes to compute and disburse the insured deposits/potential liabilities of a non-viable member institution and provide other useful deposit liability data for resolution planning. Additionally, the Corporation issued in 2014, for implementation Standard Recordkeeping Guidelines for all Policyholder's requiring Policyholders to implement procedures and systems to maintain and provide customer, account and other information data to the Corporation to facilitate payout processing. The focus during the planning period is to complete the phased PMIS enhancement activities leveraging existing technologies and collaborate with Policyholders to strengthen their level of compliance with the Corporation's Standard Recordkeeping Guidelines.

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 2018, the review of the organizational model and structure, job evaluation and reclassification/compensation exercise was completed and recommendations submitted to the Ministry for approval. Implementation of an appropriate pension scheme arrangement to attract and retain staff will be finalized. These initiatives are intended to address the structural and normative impediments to staff engagement and retention.
- **Staffing and Other Resources in a Financial Crisis** – The Corporation's business model is to operate with a core staff complement in normal times and outsource additional technical support staff with the required expertise, experience and competency levels, in a very short timeframe, to address crisis situations. 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 crisis and resolution management to have ready access to required technical support when the need arises.
- **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 continues discussion with the BOJ with regard to the development of its rules to guide providing third party access such as the JDIC to its *Jamaica Financial Reporting Information Management System (JAM-FIRMS)*. Concurrently, the Corporation is taking steps 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.

- **Financial Crisis Management and Resolution Preparedness** – Given the relative 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. However, with the current global pandemic and its likely impact on the financial system, resolution management and preparedness have become more urgent and immediate and hence the need for joint simulations in collaboration with the other FSSN partners. This is contingent on the availability of the key officers of the respective agencies to participate in inter-agency simulation, training and other crisis preparedness activities. Robust contingency plans will be required to navigate possible scenarios and address any uncertainties that materialize.

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 2017²⁵, although awareness of the JDIC is at 67 percent). In an effort to maximise its

²⁵ 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.

reach and impact, work on revamping the public education and awareness programme commenced during FY2020/21. The level of awareness will again be assessed during the planning period.

- **Disaster Preparedness, Recovery and Business Continuity** – With the advent of the COVID-19 pandemic, the importance of disaster preparedness, recovery and business continuity has become foremost for organizations. During FY2020/21 the Corporation's activated its Disaster Preparedness, Recovery and Business Continuity Plan(DPRBCP), in response to the COVID-19 pandemic. However, elements of the plan need to be updated, as its main focus was on the efficient operation of an external data centre to ensure continuity of core functions in the event of a disaster. A Disaster Preparedness, Recovery and Business Continuity Committee was also appointed and its terms of reference developed. Updating of the DPBCP will be undertaken during the planning period and aspects of the plan simulated. its

OPPORTUNITIES

- **Supportive Policy Directorate** – The relevant authorities support the mandate of the Corporation. This remains critical 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.
- **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) and G20/OECD Principles of Corporate Governance 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.

- **Policyholders' Business Environment** – The increasing use of technology caused by the measures implemented to stem the spread of COVID-19, such as stay at home and social distancing, has created the opportunity for growth of financial technology and e-commerce. Banks, for one, have encouraged less traffic inside and more use of cards at ATMs and points of sale. The increased use of financial technology could cause banks to change their operating models and move closer to digital transformation as customers now need secure and reliable payment solutions. The Bank of Jamaica has indicated that they will be testing a Central Bank Digital Currency (CBDC). Additional development is that the government has revamped the National Identification System (NIDS) to provide a safe and convenient means for efficient and transparent interactions between the state and the citizens. These developments provide the opportunity for increased financial inclusion as more individuals embrace the technological advancements. The JDIC will continue to monitor development and conduct research to determine how these developments could impact achievement of its mandate of protecting depositors, especially the most vulnerable.

- **Collaboration with Financial System Safety Net Partners and Policyholders** –The ongoing collaboration and information sharing with the JDIC, other FSSN Partners and Policyholders are

provided for in several legislations. The JDIC's CEO is a member of the statutory FRC and the FSSC established pursuant to the BOJ Act. An FRC MOU has also been established to ensure consistency with its statutory mandate. The DIA and the BSA also expressly provides for the sharing of information and relationship with the BOJ in regard to Policyholders' data and performance. Several inter –agency initiatives are currently being pursued that provide an opportunity to enhance collaboration and build synergies among the officers of the respective FSSN agencies including technical working groups established to support the members of the FRC and FSSC. Current inter-agency initiatives that will continue into the planning period include the work towards the promulgation of the FIRA (legislation to establish a special resolution regime for financial institutions) and the review and testing of the National Financial Crisis Preparedness and Management Plan. The JDIC is also a member of the National Financial Inclusion Council and its technical working group for consumer protection and financial literacy.

To further strengthen the information sharing and collaboration with the BOJ, the Corporation drafted a Service Level Agreement and shared with the BOJ in 2016 and 2017. This has not been finalized to date. However, based on the length of time that has elapsed since the SLA was first drafted, it will be updated and resubmitted to the BOJ.

- **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

- **Global and Regional Developments** – The impact of the COVID -19 pandemic on global and regional developments has been far-reaching with countries imposing strict lockdown measures during the first half of 2020, resulting in significant contraction of the economies. This has had a significantly negative impact on economies which are heavily reliant on foreign markets for tourism and remittances. There is also the potential for renewed outbreaks of COVID-19 or different viruses and diseases, causing further inequality, social divisions, and

geopolitical tensions globally. As economies gradually reopen and return to some semblance of normalcy, the pace of contraction slowed²⁶, however, uncertainties remain and economic activity is not expected to return to normal levels until health risks are abated.

The Jamaican Government has been slowly shifting its focus from response to recovery and has been gradually reopening the economy by relaxing restrictions over time. It is expected that as this gradual easing of restrictions continue, the contraction in the economy will continue to slow and return to positive levels as the Government seek to balance lives and livelihood.

- **Domestic Market Developments** – The COVID-19 pandemic has negatively impacted the domestic economy resulting in the Government forecasting an economic contraction of 7.9 percent for FY2020/21. This impact is expected to extend to depositors and deposit taking institutions. With the restrictive measures in place to limit the spread of the disease, slowdown in business activities and some closures, more depositors may become unemployed which would negatively impact their ability to service loans and increase their reliance on their savings. The low interest rate environment that defined the market prior to COVID-19 was now a major factor affecting profitability as most Policyholders found themselves extending moratoriums and waiving fees, which in prior months, had heavily supplemented profits. The current economic developments pose a threat to DTIs who could likely see a decline in profitability and liquidity and a deterioration in asset quality, which could impact capital. These developments may present a threat to the Deposit Insurance Fund in the event the Corporation is called on to participate in resolution activities concerning a non-viable DTI. The Corporation continues to intently monitor the developments in the environment and the performance of the DTIs in this regard. Additionally, the liquid holdings to treat with any potential resolution activities have been increased to ensure the Corporation is able to respond in a timely manner should this be necessary.
- **Policyholders' Business Environment** – The COVID-19 pandemic has changed business dynamics with increasing use of fintech products as individuals are forced to practise staying at home, social distancing as well as limiting cash use to prevent the rapid spread of the

²⁶ Global growth is projected to decline by 4.4 percent for 2020 based on forecast for September 2020. This is down from the previously forecasted contracted of 4.9 percent at end June.

infection. The increased use of financial technology could cause banks to change their operating models and move closer to digital transformation as customers now need secure and reliable payment solutions. The increased use of technology brings with it cyber risks for financial gains.

The BOJ has introduced the Fintech Regulatory Sandbox to provide a platform to encourage innovations in financial services, promote competition and financial inclusion. This provides the facility for participant to test innovative financial products, services and businesses in a live market environment, while ensuring safeguards are in place to manage risks²⁷. With the increased use of technology, more unbanked persons will be reached and it also makes it easier for the Government to make payments to individuals like pensioners. The National Identification and Registration Act (NIDS) is now making it voluntary for participation by citizens.

- **Policyholders' Compliance with JDIC's Information Needs** - – Policyholders may not maintain the requisite customer records and other information required by the Corporation accurately, or data may be missing or not sufficiently detailed. Additionally, the necessary procedures and systems to facilitate data transmission may not be implemented. These impediments may impact the Corporation's capacity to: provide depositors with prompt and accurate access to their insured deposit; and make critical decisions for resolution planning. Initiatives that are currently ongoing such as the *Policyholders' Record-keeping Guidelines* and the supporting Compliance Framework; enhancements to the Payout Management Information System (PMIS); legislative amendments to provide the JDIC with powers to access data prior to closure; and consideration to promulgate Regulations for record-keeping requirements will mitigate these threats.

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 ecosystem²⁸. 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

²⁷ http://www.boj.org.jm/uploads/news/bank_of_jamaica_fintech_regulatory_sandbox_guidelines__22_june_2020.pdf

²⁸ <https://www.pwc.com/gx/en/industries/financial-services/publications/financial-services-technology-2020-and-beyond-embracing-disruption.html>



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.

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 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.

5. MACRO-ECONOMIC IMPACT ON POLICYHOLDERS

The Jamaican economy declined by 18.4 percent in the second quarter of 2020 relative to the same period in 2019. This is following a 2.3 percent contraction in the first quarter of the year. The performance of the economy was largely due to the negative impact of the continued spread of the COVID-19 disease and the measures adopted island wide to limit its spread. While labour force statistics have not been shared since the beginning of the year, a significant increase in unemployment is anticipated. According to the International Labour Organization, when the greatest impact of the pandemic was felt, 75 percent of workers in the tourism sector in Jamaica lost jobs. Inflation rate has remained largely within the target of 4 percent to 6 percent. Real GDP is projected to contract in the range 8 percent to 10 percent for FY2020/21. Notwithstanding the challenging times, the banking system has remained resilient and robust, with each Policyholder being adequately capitalized and solvent relative to key prudential indicators. The Bank of Jamaica proactively implemented several measures to assist the institutions in maintaining

liquidity. The Bank of Jamaica and the JDIC have also enhanced monitoring of the Policyholders, notwithstanding their adequate capitalization and solvency.

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 tabling 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 objectives²⁹ 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 forecasted to grow at an average annual rate of 10.0 percent over the planning period. This projection is based on the estimated declining trend in interest rates on the Corporation's investment portfolio over the review period; average 10.0 percent growth in insurable deposits

²⁹ The Fund management objectives are stated in the DIA and the Corporation's Investment Policy.



annually, which translates to a similar growth in annual premium income; and no resolution expenses as MIs remain adequately capitalized and solvent and the BOJ remains vigilant in providing liquidity, while remaining proactive, along with the JDIC, in intensely monitoring and assessing the risks of the institutions. In light of the increase in the coverage limit and the moderate growth being forecasted for both the annual insured deposits and the Fund, the lower limit of the target DIF reserve ratio³⁰ (8 percent) is forecasted to be attained in FY2032/33. 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.

The COVID-19 pandemic has reset workforce assumptions with an immediate shift to remote work with focus on an agile planning approach that continually reshapes the workforce in response to changes in business and skill needs during the pandemic and beyond. Investment in digital solutions will strengthen the Corporation's business continuity initiatives allowing for increased convenience, efficiency and security enabling resilience and crisis preparedness.

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.

³⁰ The range for the target DIF reserve ratio is 8 to 10 percent.

ENVIRONMENTAL MANAGEMENT

INTRODUCTION

With the advent of COVID-19 and the resulting pandemic, special attention must be given to the safety of staff and stakeholders, with the general sanitization of work areas and the operating environment. COVID-19 spreads primarily through respiratory droplets or contact with contaminated surfaces. Exposure can occur at home or in an area with local area transmission, at the office and while travelling to and from the office. The spread of COVID -19 started in FY 2019/20 and will continue in this financial year under review. A number of initiatives were put in place and these will continue during this year in order to maintain a safe working environment. The risk assessment for office related exposure to COVID-19 and any other disaster that will impact our safety will be undertaken and rigorously monitored. The initiatives include, but are not limited to the following:

1. Sanitation stations and temperature checks
2. Air-conditioning maintenance
3. Adjusted work stations
4. "Sneeze Screens" for each work area
5. Maintaining a Work from Home Schedule
6. Assistance with the work from home environment
7. Social Distancing and the rotation of staff
8. Daily monitoring and cleaning of regularly used areas
9. Promoting wearing of masks and frequent hand-washing
10. Regular updates to increase general awareness of COVID-19 and the monitoring of possible infection.

In addition to the COVID-19 management, the normal environment management continues and will be adjusted to accommodate the current environment and any other pandemic situation that may arise.

ENVIRONMENTAL MANAGEMENT SYSTEM

Environment Management is a systematic approach (EMS) that refers to the management of an organization's environmental programme in a comprehensive, systematic, planned and documented manner. It emphasises finding practical ways for cost savings while implementing measures to avoid or minimize environmental impacts; optimization 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 continues to be a priority for the Corporation and seeks to adhere to environmental protection best practice standards. This will contribute to a sustainable environment and energy savings. 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. The Corporation.

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 the Administrative and Property Units to collaborate with each staff member in the reporting 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 continuing the 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: use of laptops in meetings, greater use of emails for internal and external communication, increased use of soft copy of documents and printing only where necessary,

- scanning of documents for later use, printing in draft and margin adjustments for page reduction and, 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 type systems are currently used in the canteen area and the server room;
- The Corporation will participate in the circular economy, which is an economic system aimed at eliminating waste, increasing efficiency at all levels with the continual use of resources and the re-cycling of left-overs.
- The use of more efficient duct cleaning systems
- The use of air purifiers for on-going purified and quality air for circulation;
- 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.

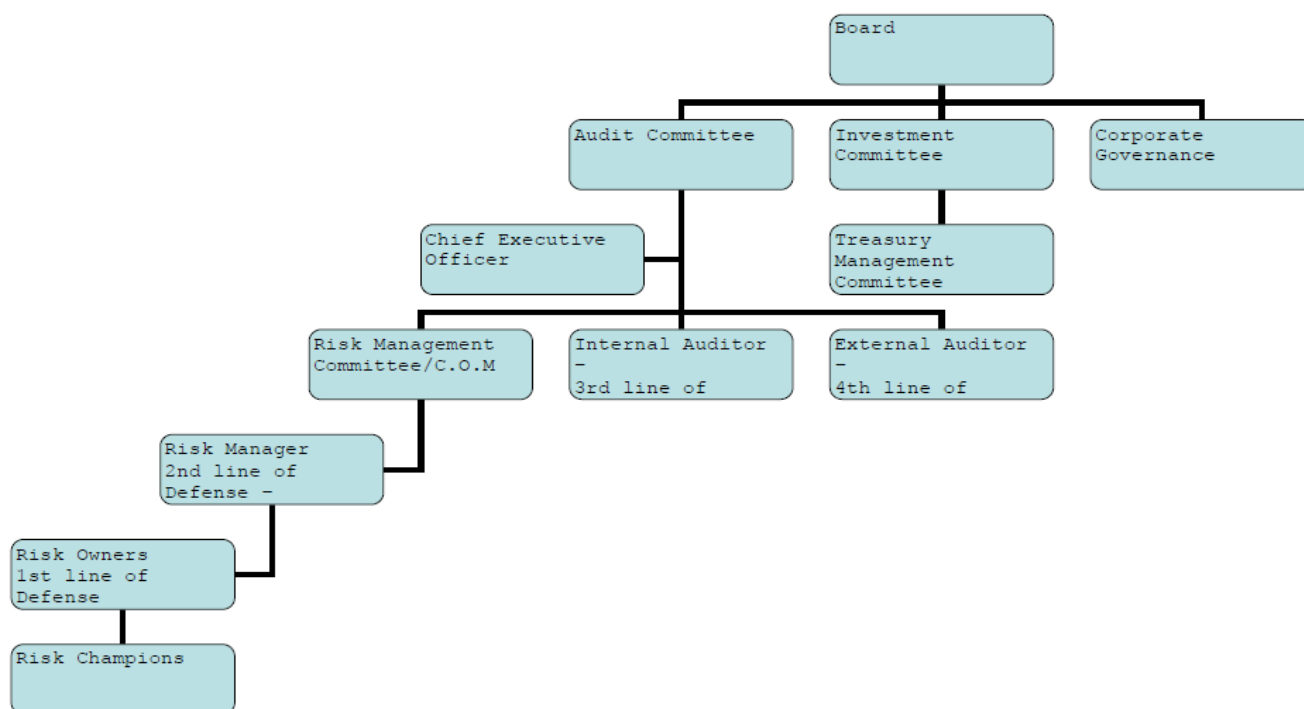
The Corporation will continue to monitor the enhancement to general environmental management and liaise with the MoFPS and other Government regulatory agencies such as, the National Environment and Planning Agency, Ministries responsible for Health and the Environment and other related agencies to gain 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 review the documentation and procedures for obtaining 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 Enterprise Risk Management (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. The Corporation's overarching risk appetite statement remains as *"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"*.

The JDIC's Risk Governance & Operational Structure is shown below.

RISK GOVERNANCE & OPERATIONAL STRUCTURE



During FY2020/21, the Corporation initiated the engagement of an outsourced risk management service provider (Corporate Risk Manager/CRM), consistent with the Corporation's risk governance framework. The CRM will be the chief risk 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.

The Framework provides the JDIC with a systematic way to dealing with business uncertainty and the associated risks and opportunities. By utilizing a disciplined risk management and compliance process, the JDIC will manage its unexpected outcomes and reduce the impact of risky events. Further, the Framework is geared towards achieving the Corporation's objectives as they relate to strategy; operations; reporting and compliance, and financial management.

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, as explained below:

- 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.

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. 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.

In preparation for this planning period, the Corporation conducted its annual risk validation exercise which was facilitated by the CRM. During this session, specialized risk management training was provided to the Corporation's risk owners and risk champions. All staff also received an overview of the importance of the Corporation's risk management framework.

During the planning period, the Corporation will work closely with the assigned CRM to carry-out its quarterly risk management activities. This involves in-house coordination, review and update the risk register which will be further reviewed and updated by the CRM. The CRM will also provide an independent validation of the risk ratings assigned, prepare and provide quarterly reports to the Corporation's RMC and the Audit Committee of the Board. In addition to the quarterly reviews and reports, the CRM will be conducting: spot checks, an annual risk validation exercise, annual risk training, and the updating of the Risk Management Framework. The CRM will also be conducting performance review meetings with the RMC at least every six months, to identify areas of improvement and areas for inclusion for review in the work plan for the next planning period.



JDIC RISKS MAP

LIKELIHOOD	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
STRATEGIC- BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY	To ensure an adequate knowledge management organizational model where competent technical human capital, as JDIC's most important asset can be employed and retained.	Monetary and non-monetary benefits may lead to challenges in the available professional pool of technically competent persons	Significant	Highly Likely	Very High	Low	Obtain approval and quickly implement Organizational Review, Job Evaluation and Reclassification exercise to better align functions with the expertise required. Implement commensurate and competitive rewards and recognition policies.



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<p>OPERATIONAL- FFAM</p>	<p>Fund Adequacy</p>	<p>The DIF may not be adequate to reimburse insured depositors of two medium size failed Policyholder, consistent with the projections of Fund Adequacy.</p>	<p>Significant</p>	<p>Very Likely</p>	<p>Very High</p>	<p>Low</p>	<p>Finalize discussions re contingency funding arrangements with the BOJ and the MoFPS.</p> <p>Continue to work with the FSSN towards tabling of the FIRA.</p> <p>Review the mechanisms available to increase the rate of growth of the DIF.</p> <p>Ensure DIF Borrowing mechanisms are in place.</p> <p>MRA and FFAM will continue to monitor the economy and Policyholders' performances and ensure the appropriate liquidity requirement is met.</p>
<p>OPERATIONAL - IRIR</p>	<p>Resolution Preparedness & Crisis Management –</p> <p>Manage the resolution process – JDIC's role acting as receiver and/or liquidator.</p>	<p>Legal and operating framework for conducting resolvability assessments, recovery and resolution planning may not be developed and adequately implemented by Supervisor of Banks/BOJ, JDIC and Policyholders.</p>	<p>Significant</p>	<p>Highly Likely</p>	<p>Very High</p>	<p>Low</p>	<p>Drafting, passing and implementation of the: (1) FIRA Bill and supporting regulations; (2) Amendments to the BSA and DIA to align with the FIRA.</p> <p>FIRA scheduled to be tabled in FY 21/22.</p>



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OPERATIONAL - IRIR	<p>Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)</p> <p>Manage the recoveries and claims process</p>	The JDIC may not be able to recover amounts paid from the DIF to insured depositors (i.e. subrogation) from the assets of the failed DTI in liquidation. JDIC does not have priority of claims and ranks pari passu with all unsecured creditors.	Significant	Very Likely	Very High	Moderate	Promulgation of legislation to provide the JDIC with priority of claims. Implementation of the FIRA.
OPERATIONAL-IRIR	<p>Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)</p> <p>Manage resolution process - JDIC's role acting as Receiver and/or liquidator</p>	Rules may not be developed and tested where JDIC is appointed receiver or liquidator	Significant	Likely	Very High	Moderate	Engage SMEs to provide technical input to finalize rules for JDIC to act as receiver and liquidator, train staff and conduct simulation exercises guided by existing legislation for winding up companies.
OPERATIONAL-GENERAL COUNSEL	To inform proper Board decisions and good corporate governance.	<p>There may be insufficient or irrelevant information provided to inform Board decisions in a timely manner.</p> <p>Per Board of Directors Board Evaluation Report 2018 - 2019</p>	Significant	Likely	Very High	Low	<p>Expectation as to the nature and quality of documentation to be established with new Board members.</p> <p>Unit Department Heads to be Proactive and communicate with Corporate Secretariat as to documents that will be available for Board meetings.</p>



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							<p>Process flow of Board Documents can be revised to provide the Board with information as it is available, including prior to schedule for sharing of Board papers.</p> <p>Ensure the Board meeting dates are set consistent with the timelines of delivery of statutory reports to share with the Board 7 days before.</p> <p>If documents are not received timely, they are tabled and the responsible parties are invited to the meeting to present and field questions from Board members on their respective documents.</p> <p>Documents are also round robin to allow Board members additional time in the event that the documents are delayed and warrants more time for decision making.</p>
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OPERATIONAL HRA	Salaries and Benefits	Salary scales approved by the MOFPS may not always contemplate the circumstances specific to JDIC	Very High	Highly Likely	Very High	Low	Engage the Board of Directors to assist in getting MOFPS to look at unique JDIC circumstances under the Job Evaluation and Re-Classification Exercise and to amend.
OPERATIONAL RECORD AND INFORMATION MANAGEMENT	Training To ensure all vital records are appropriately identified, secured and backed up. To standardize records management procedures	Inadequate training programme for records owners and custodians may result in variations in records management in the departments Vital records may not be identified	Very High	Highly Likely	Very High	Low	Re-implement quarterly training programme for all records owners and custodians.
STRATEGIC- STRONG PARTNERSHIPS	To ensure effective coordination and information sharing among FSSN, Policyholders, regulatory authorities in other jurisdictions, international partners and other stakeholders to support effective operations of the JDIC during non-crisis and crisis periods to enable fulfillment of JDIC mandate.	There may be insufficient clarity among FSSN partners regarding their roles and responsibilities in the event of a resolution.	Significant	Likely	High	Low	Completion of SRR and operationalize crisis management plans.

STRATEGIC STRONG PARTNERSHIPS	To ensure effective coordination and information sharing among FSSN, Policyholders, regulatory authorities in other jurisdictions, international partners and other stakeholders to support effective operations of the JDIC during non-crisis and crisis periods to enable fulfillment of JDIC mandate.	Legal and operating framework may be inadequate for the collaboration of information sharing	Significant	Likely	High	Low	Review Legal and operating framework and make such proposals for filling the gaps as required. Ensure SLAs are executed among FSSN partners, tested and operationalized and continue to work towards ensuring roles and responsibility and clarity in the new legal and operating framework for a special resolution regime.
STRATEGIC PROACTIVE READINESS AND RESOLUTION MANAGEMENT	Staffing Resolution Management for	There may be lack of technical human resource capacity to implement an effective resolution.	Significant	Likely	High	Low	Obtain approval and quickly implement Organizational Review, Job Evaluation and Reclassification exercise to better align functions with the expertise required. Tabling of the FIRA. Ongoing training and simulation



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STRATEGIC PROACTIVE READINESS AND RESOLUTION MANAGEMENT	To ensure that the JDIC is in a state of perpetual readiness to orderly resolve a financial institution to include providing depositors with prompt access to their funds, minimizing the cost of resolution to the DIF without exposing taxpayers to loss, and promoting financial system confidence and stability in collaboration with other FSSN partners.	Policyholder failure to implement Record Keeping compliance system consistent with JDIC requirements and insufficient legal powers for JDIC to enforce compliance.	Significant	Likely	High	Low	To monitor the compliance closely and then if non-compliance, seek to establish this in law.
OPERATIONAL FFAM	Investment Placement	Timely investment placement of funds in securities.	Very High	Likely	High	Low	Seek to expand the Investment options Preplanned investment decisions based on maturities and investment returns schedule.
OPERATIONAL FFAM	Sale of Securities	Security may be sold at an unfavorable price (crisis period).	Significant	Likely	High	Low	Liquidity management Adequate contingency funding arrangements that negates the need to sell the security.

OPERATIONAL FFAM	Payment for goods and Services	Online Payments interrupted by unauthorized personnel	Very High	Likely	High	Low	<p>Ensure all firewalls are up to date and adequate.</p> <p>Increase staff awareness of potential cyber risk.</p> <p>Ensure staff are aware of the policies and procedures for e-banking.</p>
OPERATIONAL FFAM	Payments for goods and services	Online payments are not successfully processed	Very High	Likely	High	Low	<p>Ensure staff are aware of the policies and procedures for e-banking.</p> <p>Ensure end of day settlement procedures are assigned to a senior officer within the department.</p> <p>Ensure the relevant banks are aware of the contact persons to communicate matters of urgency</p>
OPERATIONAL IRIR	Resolution Preparedness & Crisis Management - Develop and implement policies, procedures and systems	FSSN partners may not participate in the development and testing of policies, procedures and systems relating to inter-agency resolution and crisis management activities	Significant	Likely	High	Low	<p>Operationalize the National Financial Crisis Management Plan. More frequent FRC inter agency crisis management planning initiatives i.e. simulations and training.</p>



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OPERATIONAL IRIR	Resolution Preparedness & Crisis Management Develop and implement policies, procedures and systems	The current outsourced ICT support staff may not fully support the IRIR initiatives relating to resolution activities	Significant	Likely	High	Moderate	Obtain MoFPS approval to implement organizational review, job evaluation and reclassification recommendations for implementation of the ICT Unit.
OPERATIONAL IRIR	Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN) Plan and execute resolution activities of a failed Policyholder –Payout and Non-Payout	Depositor and other Policyholder data may not be accessible within stipulated timeline and format and may not be current and/or accurate.	Significant	Likely	High	Moderate	Tabling of the FIRA and amendments to the DIA and BSA - to provide JDIC with the power to access Policyholders' data prior to a closure; Record keeping requirements to be promulgated as regulations and ongoing testing of Policyholders' level of compliance.
OPERATIONAL IRIR	Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN) Plan and execute resolution - Reimburse depositors of a non-viable Policyholder within the targeted 14 days timeline	Policyholders may not be able to provide JDIC with the required customer and account data within the required electronic format and stipulated timeline	Significant	Likely	High	Moderate	Promulgation of DIA regulations for the record keeping guidelines and ongoing testing of Policyholders level of compliance.
OPERATIONAL IRIR	Crisis Period Only: Resolution Planning & Execution (in	JDIC may not be able to establish arrangements with a transferee bank to	Significant	Likely	High	Moderate	Establish pre-emptory arrangements with at least one Policyholder



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	collaboration with other FSSN) Plan and execute resolution - Payout: Reimburse depositors of a non-viable Policyholder (medium size)	conduct IDPT in a timely manner. JDIC may not have capacity to generate large volume of cheques and may not have arrangement with a supplier.					and cheque printing service provider. Implement other payment disbursement options e.g. direct bank deposit
OPERATIONAL IRIR	Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN) Crisis Management	There may not be sufficient collaboration and information sharing with FSSN partners to deal with the failure of a Non-DTI and /or the JDIC may not be informed in advance / timely manner (Failure of a non DTI may pose risk to financial system stability and/or viable DTIs)	Very High	Likely	High	Moderate	Tabling of the FIRA. Staff training in collaboration with FSSN Partners and develop MOU for information sharing. Conduct ongoing simulation exercises with FSSN Partners.



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OPERATIONAL MONITORING & RISK ASSESSMENT	Combined Policyholder Risk Review & Recommendation	Risk review may not be timely and current	Significant	Likely	High	Low	<p>Pursue service level agreement with BOJ consistent with December 2018 FSAP report.</p> <p>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>Continue to review and analyze the Policyholder submitted audited data</p>
OPERATIONAL MONITORING & RISK ASSESSMENT	Combined Policyholder Risk Review & Recommendation	Risk review may not be robust	Significant	Likely	High	Low	<p>Implement an appropriate business intelligence software to assess the Policyholders' risk level.</p>
OPERATIONAL MONITORING & RISK ASSESSMENT	Fund Adequacy	Incorrect evaluation of risk and fund adequacy may result in inadequate liquidity planning	Significant	Likely	High	Low	<p>Continue independent experts review of the models as done periodically</p> <p>Implement mitigating factors such as putting in place an appropriate business intelligence software to assess the Policyholders' risk level and work closely with FFAM department to ensure the robustness of the capital and operating costs.</p>



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

OPERATIONAL MONITORING & RISK ASSESSMENT	Fund Adequacy	Market conditions may be unfavorable to realizations of securities in crisis periods.	Significant	Likely	High	Low	<p>Reassess the liquidity requirement based on Fund Adequacy review against:</p> <p>(a) what is currently happening in the market and wider economy, consistent with developments such as covid-19, and</p> <p>(b) Policyholders' and connected companies' performance</p> <p>Ensure arrangements are in place with the BOJ to access contingency funding at market price, if needed.</p>
OPERATIONAL MONITORING & RISK ASSESSMENT	Development Report: Monitoring of Policyholders	Current BOJ specific data may not be shared in a timely manner.	Significant	Likely	High	Low	<p>Implement and share JDIC schedule with BOJ for expected reception of specific data.</p> <p>Continue collaboration with BOJ to ensure specific data are received in a timely manner</p> <p>Implement an appropriate business intelligence software that can interact with BOJ's JAM-FIRMS platform to access</p>

							Policyholder data in a timelier manner.
OPERATIONAL GENERAL COUNSEL	Advising on Board Composition	The Minister has the sole responsibility of Board appointment in accordance with the DIA.	Significant	Likely	High	Low	Implementation of the suggestions coming out of the Board Evaluation Report, as it relates to training. Additionally, develop a process by which we will be able to advise the Minister on the appointment of skill sets required on the Board, based on our knowledge of our business processes and the Evaluation Report.
OPERATIONAL GENERAL COUNSEL	Policy Review and Approval	Untimely review and approval of internal Policies. Insufficient communication with staff members on changes to policy objectives	Very High	Likely	High	Low	The Corporate Secretariat will annually review the policies under their ambit. While HODs are to ensure that policies relevant to their Department are reviewed in accordance with the time period indicated in such policies.
OPERATIONAL GENERAL COUNSEL	Internal Audit Liaison	Issues raised by Internal Auditors not addressed in a timely manner by Department heads.	Significant	Likely	High	Low	Dissemination of the Follow-Up Reports to the relevant department heads for resolution.

OPERATIONAL GENERAL COUNSEL	Internal Audit Liaison	Department heads may have conflicting priorities.	Significant	Likely	High	Low	The Legal Unit may suggest to the HR Unit that the Performance Targets of HODs include timely response to internal audit matters.
OPERATIONAL CORPORATE COMMUNICATIONS	Crisis Communication	Lack of coordinated communication among Financial System Safety Net (FSSN) Partners which may result in miscommunication amongst Policyholders, depositors, the media and the general public during a crisis	Significant	Likely	High	Low	Continue crisis communication work with FSSN Partners and participate in FRC Inter-Agency Crisis Communication Simulation Update internal crisis communication policy to include any gaps identified during simulation
OPERATIONAL CORPORATE COMMUNICATIONS	Crisis Communication	There may be limited channels for the dissemination of deposit insurance information to Depositors and the general public.	Significant	Likely	High	Low	Explore engagement of a call center to be activated when there is a crisis. Develop Dark Site to be available during a crisis (contains information on crisis) Conduct Crisis Communication training and crisis simulation Conduct ongoing Public Education Awareness programme.

OPERATIONAL HRA	STAFF WELFARE To minimize staff turnover while improving retention rates	There may be high staff turnover due to inadequate staff welfare programmes	Very High	Likely	High	Low	Improve staff welfare programme to include implementation of staff pension plan.
OPERATIONAL HRA	STAFF WELFARE To assist employees to improve physical and mental health	<p>Employees may experience heightened stress levels and depression during normal times.</p> <p>Employees may experience anxiety and fear due to the COVID-19 pandemic</p>	Very High	Likely	High	Low	<p>Establish new ways of working with restrictions as a result of the COVID-19 pandemic</p> <p>Identify gaps/pressure points & allocate resources/reprioritize as appropriate</p> <p>Access to counselling through EAP</p>

BUSINESS STRATEGIES

FY2021/22 – FY2024/25

The Corporation's business strategies support its principal objects, Vision, Mission and are themselves supported by the Core Values. The business strategies are effected through the key initiatives for the planning period, such that the Corporation achieves its mandate. The business strategies are ascertained following a 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. The review indicated that the business strategies pursued during the last planning period remained valid and therefore will continue to be pursued during FY2021/22 – FY2024/25. The business strategies are: **Leveraging Information and Communication Technology for Operational Efficiency; Proactive Readiness and Resolution Management; Strong Partnerships; Building Sustainable Human Resource Capacity; 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 for strengthening operational efficiency in a context of the increasing use of information technology for the provision of services, and for data management and protection. This is designed to allow the Corporation to effectively achieve its objectives in collaboration with its Policyholders, partners and stakeholders as digitization of their own operations accelerates. In particular, also are the expectations of depositors who more and more demand that the channels through which they do business and carry on their lives and businesses also digitize.

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 enhanced technology, particularly in the development of new products and delivery channels with BigTech, FinTech and Artificial Intelligence; and increasing competitiveness;
- 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 FIRA), 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 resource capacity under a discrete strategy for ensuring sustainability in the long term;
- Strengthening the Corporation's infrastructure capacity, including ICT, disaster recovery and business continuity for 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 Jamaica's Vision 2030 agenda and the declared intentions of Government to maintain fiscal discipline, management and accountability. Within the context of the impact of

the COVID-19 pandemic and the resulting global recession, the JDIC and other members of the FSSN continue to build out their crisis preparedness and resolution management framework and communication plans, as well as to enhance the regulatory framework for financial institutions; recognizing that there are additional risks which must be monitored. Initiatives geared towards financial sector reform and strengthening the prudential frameworks for financial institutions continue.

1. LEVERAGING INFORMATION AND COMMUNICATION TECHNOLOGY FOR OPERATIONAL EFFICIENCY

The impact of the COVID-19 pandemic on economies has significantly increased the demand for information and communication technologies (ICT) globally; with organizations, including the banking and financial sectors, imploring customers to increase their use of digital platforms to transact business. Many organizations have also shifted to telework and online conferencing to ensure business continuity. This unprecedented use of ICT exposes both providers and users to increased risks. Consequently, the Corporation continues to strengthen its ICT infrastructure to ensure greater efficiencies, both in terms of its Policyholders business environment and its own operations.

Speed, flexibility, cost efficiency, reduced risk, cyber security and operational simplification must be characteristics that define the business operating platform. 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 in this vein, that one of the key initiatives that will characterize the

leveraging of ICT for operational efficiency will be the development of a formal ICT governance strategy with the commensurate policies, practices and procedures.

Further, to succeed in a technology enabled environment, constraints relating to determining appropriate technologies and rapidly changing methodologies the complexity of evolving systems must be addressed and overcome.

Key Initiatives supporting this strategy include: 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; Policyholder monitoring and risk assessment and resolution and payout management; Policyholder monitoring and risk assessment; investment and treasury management, and optimizing office administration through improvement in the HR processes and records and information management systems. As the focus increases here the Corporation has decided to engage a dedicated business analyst in year one of the planning period who will have the responsibility to appropriately assess, determine and articulate the business needs based on business processes. This will begin the process of the build out of the required hardware platforms and software.

2. 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 and liquidator 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 In collaboration with the FSSN partners, finalizing the work to enhance the resolution framework through the promulgation of the FIRA which includes provisions for a special insolvency regime for financial institutions; promulgating regulations for the Corporation to act as receiver, liquidator or, judicial manager and building the internal capacity of staff to do so; continued implementation of guidelines for standard record-keeping requirements for all JDIC Policyholders and the supporting compliance framework with a view of implanting necessary regulations to support this purpose; the BOJ transition to Consolidated Risk Based Supervision; and updating the Corporation's Policyholder risk assessment framework with considerations for admission of the credit unions to the DIS. The Corporation will also continue its collaboration with the FSSN partners towards the proposed establishment of compensation schemes for the non DTI sector.

3. 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: Continuing to providing technical support to 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.

4. BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY

The JDIC's human resources are the primary value creating assets of the JDIC. Therefore, his strategy, although equally as important as the other, must also be given urgent importance.

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 still 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 first implemented in 1998, does not sufficiently support the retention of the human capital 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.

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 through recognition by JDIC that its public education mandate is adjunct to a strategy for financial inclusion and therefore the JDIC's 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 which will be enhanced during the planning period. Presentations are also made to private and public sector organizations.

Based on the 2017 deposit insurance public awareness survey results, overhauling of the public education programme is scheduled to commence in FY2020/21 and will continue during the planning period. This is in an effort to increase awareness level which is presently at 47 percent, albeit consistent with awareness levels in other jurisdictions where there have been no financial crises.

Key initiatives supporting this strategy include: Along with an enhanced framework for public education and awareness that meets the needs and expectations of financial consumers today will be: Schools' programme to include publishing of a financial education book (hard and electronic) for primary schools; development of an online training programme for Policyholders; continued collaboration through public forums 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

FY2021/22 – FY2024/25 (TABLE 1) AND CORPORATE SCORECARD FY2021/22 (TABLE 2)



TABLE 1

CORPORATE PLAN FY2021/22-FY2024/25

FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1. Proactive Readiness and Resolution Management								
1.1 Continue the Phased Implementation of Standard Record-Keeping Guidelines and Compliance Framework for Policyholders	IRIR; GCCSC	ICT Unit, Legal Unit, Credit Unions and other Stakeholders (BOJ, JCCUL)		Q1-Q4				<ul style="list-style-type: none"> Finalize revisions to the Recordkeeping Guidelines and Compliance Framework and submit to Policyholders for implementation. Revisions to also include recommendations for the update of the Guidelines to incorporate required exemptions for Policyholders based on their size and implication (i.e. principle of proportionality). This is contingent on research findings. Commence the phased implementation of ongoing Policyholder data transmission activities as outlined in the Compliance Framework (timelines 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).
					Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Deliver sensitization sessions on the Recordkeeping Guidelines and Compliance Framework to credit unions (contingent on the passing of the CUSPA). Discuss and agree with BOJ the feasibility of incorporating compliance assessments within the scope of the supervisory onsite examinations or JDIC commissioned assessments.

FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

TABLE 1

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.1 Continue the Phased Implementation of Standard Record-Keeping Guidelines and Compliance Framework for Policyholders (Cont'd)	IIR, GCCSC	ICT Unit, Legal Unit, Credit Unions and other Stakeholders (BOJ, JCCUL)			Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Issue consultation paper to promulgate Regulations for Policyholders' Recordkeeping Requirements and Compliance Framework. Submit recommendations to the MOFPS to inform the drafting of Regulations.
1.2 Engage Member Institutions, Professional Intermediaries, Nominees and Trustees to Increase Awareness on the Recordkeeping and Disclosure Requirements for Separate Deposit Insurance Coverage for Beneficiaries	IIR	GCCSC, Policyholders and Professional Intermediaries		Q1-Q4				<ul style="list-style-type: none"> Finalize guidelines for professional intermediaries acting as trustees and nominees to comply with their obligations for disclosure and recordkeeping requirements (include simple and clear specifications for data format). Review and update as necessary public education initiatives to increase awareness about the disclosure and recording obligations regarding trust and nominee accounts.
					Q2-Q4			<ul style="list-style-type: none"> Conduct research and make recommendations on the feasibility of implementing 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 implementation.

TABLE1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

1.3 Test Contingency Planning and Crisis Preparedness								
1.3.1 Create a Contingency Plan and Crisis Management SharePoint Database	IRIR	IRIR Department, ICT Unit, RIM 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. • Commence ongoing maintenance of database.

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.3.2 Simulate the Roles of a Receiver and Liquidator in the Resolution of a Non-viable Member Institution	IRIR	All Departments		Q1-Q4				<ul style="list-style-type: none"> Develop simulation and training material including the simulation plan Conduct the simulation and training Prepare simulation report.
1.3.3 Conduct Multi-agency Financial Crisis Simulation with other FSSN Partners - BOJ; FSC and MoFPS	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. Develop action plan to address gaps identified during the simulation with regard to the JDIC's mandate Provide technical input based on FRC Inter agency action plans and schedules to address gaps identified during the simulation with regard to the NFCMP.



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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

1.3.4	Conduct Crisis Communication Simulation Activities - (Refer Corporate Communication Unit Plan)	IRIR; GCCSC	All Departments, other FSSN members staff to participate/role play as members of the public and depositors in a call centre operations simulation; Internal PBX System			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Engage consultant to plan the simulation activities. (May include access to a call centre). Develop simulation scenarios and simulation plan. Conduct simulation. Prepare simulation report - document findings and proposed action plan. Develop action plan to address gaps based on functional area - update the Crisis Communication Manual; Resolution and Payout Policies and Procedures; and PMIS as required to address gaps identified.
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FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.3.5 Simulate the Disbursement of Insured Deposits through a Viable Policyholder-Insured Deposit Portfolio Transfer	IRIR	All Departments, internal auditors, Policyholder			Q1-Q4			<ul style="list-style-type: none"> Obtain the commitment of a Policyholder to conduct the IDPT Simulation. (The Corporation may be required to offset the cost of Policyholder assigned resources). Update the IDPT plan templates and other supporting documents and submit to Policyholder.
						Q1-Q4		<ul style="list-style-type: none"> 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



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TABLE 1								
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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.4 Strengthen the Resolution Management Framework and Resolution Readiness								
1.4.1 Make Proposals for Legislative Amendments to Ensure the Corporation has the necessary Powers to act in Resolution.	RIR; GCCSC	MRA, Corporate Communications Unit, BOJ, FSC, MOFPS, SME, Member Institutions		Q1-Q4	Q1-Q4	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) Follow through on the legislative process. Conduct stakeholder sensitization activities.

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.4.2 Continue to Develop Internal Resolution Policies, Processes and Pre Drafted Legal Documents, Notices and Other Material and Compile a “Resolution Toolkit”	IRIR; GCCSC	MRA, Corporate Communications Unit, BOJ, FSC, MOFPS, SME, Member Institutions		Q1-Q4	Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Draft resolution policies, procedures, legal and other documents based on work plan and develop the Resolution Toolkit. Submit policies, procedures and documentation for requisite internal inputs and approvals (Legal Unit, COM, Board) and stakeholder consultations if required.
1.4.3 Provide Technical Input in Collaboration with the MOFPS, BOJ and the FSC to Table and Implement the Financial Institution Resolution Act	IRIR	MRA, GCCSC, BOJ, FSC, MOFPS		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Conduct research and provide technical input during all the enactment stages of the FIRA including the consequential amendments to the DIA.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Provide technical input for the preparation of drafting instructions for the supporting regulations and implementation of the FIRA consistent with the FRC TWG work plan.



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TABLE 1								
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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.4.4 Develop Guidelines on the Relationship Between the JDIC in its Role as Receiver, Liquidator, and Resolution Administrator and The Bank of Jamaica as The Resolution Authority Under the FIRA.	RIR	MRA, GCCSC, BOJ, FSC, MOFPS		Q1-Q4				<ul style="list-style-type: none"> Continue research to develop the JDIC's internal organizational structures for liquidations and resolution administrations
					Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Draft internal guidelines and other appropriate policies, procedures and operating memoranda where necessary, to guide the JDIC's relationship with the BOJ/resolution authority and other potential resolution actors appointed as such specific to the DIC's roles as receiver and liquidator (as per section 5 (2)(c) and resolution administrator (FIRA). Finalize the development of the JDIC's internal organizational structures for liquidations and resolution administrations. Review and update internal guidelines, other appropriate policies, procedures and operating memoranda, and internal organizational structures for liquidations and resolution administrations to ensure consistency with the FIRA.

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.5 Finalize Framework for Establishing Advisory Panel	IRIR	IRIR, MRA, Legal		Q1-Q4				<ul style="list-style-type: none"> Continue liaising with potential advisors to determine EOI Develop template for terms of reference and engagement contract for members of advisory panel. Submit TOR to advisors Commence ongoing maintenance of pool of advisors.

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.6 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"> Review to treat with any nuances in the CUSPA relative to the DIA and recommend proposals, as necessary; Build-out of a risk assessment framework for credit unions; Review the appropriateness of the initial proposed target fund reserve ratio for the sector vis-à-vis the potential risk of the sector; Research regarding the nuances of the structure of the sector to inform the Corporation's understanding the operations of the credit union sector.
					Q1-Q4			<ul style="list-style-type: none"> Prepare for the admission of credit unions to the DIS, consistent with the BOJ/MOFPS licensing process; Make any further amendments to the JDIC PRAF, as necessary, regarding the risk assessment process for the sector.

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CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.6.1 Accounting for the Admission of Credit Unions (Refer to MRA Departmental Plan)	FFAM	COM; MRA; IRIR		Q1-Q4				<ul style="list-style-type: none"> Review and update the Accounting and Payroll Manual to accommodate the admission of credit unions to the DIS. Obtain approval and open a separate Bank Account Open General Ledger Accounts and restructure format to accommodate the processing for the additional requirements.
1.6.2 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.
					Q1-Q4			<ul style="list-style-type: none"> See necessary legislative reform through to implementation.



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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.7 Update the Monitoring and Risk Assessment Policies and Procedures	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Credit Unions; Jamaica Cooperative Credit Union League (subject to the JCCUL's role once the Regulations is enacted) and the MOFPS; IADI		Q1-Q4				<ul style="list-style-type: none"> Collaborate with the BOJ to determine the risk profile of the credit union sector and develop reporting schedule (frequency and types of reports) and assessment standard for credit unions, and update the PRAF with consequential amendments; Collaborate with the JCCUL regarding information sharing and the monitoring and risk assessment of credit unions, as well as conduct sensitization sessions with JCCUL staff and their 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 to update/develop policy and procedure documents, as appropriate; Review and update the Membership and Admission Policy to treat with monitoring of expanded delivery channels by Member Institutions.

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CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

1.8 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) and the MOFPS;			Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Collaborate with BOJ and credit unions with regard to admission, development and monitoring of the sector. Update and develop policies and procedures from on-going research.
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TABLE 1

CORPORATE PLAN FY2021/22 - FY2024/25

BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

1.9 Implementation of Member Institutions' Business Intelligence Software (MIBIS)	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions		Q1-Q4				<ul style="list-style-type: none"> Document the data requirements for the JDIC to determine the need for a business intelligence (BI) software; If it is determined that there is a need for a BI software, the BA will conduct market research to determine the most feasible BI software that is capable of interfacing with the BOJ JAM-FIRMS; Finalize with the BOJ, all the data requirements necessary for the JDIC to access the BOJ FSD portal.
					Q1-Q4			<ul style="list-style-type: none"> Prepare a TOR request for proposal for the procurement of the recommended BI software. Procure the BI software.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> User acceptance of risk assessment software and full implementation. Prepare post implementation and reassessment report.

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CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.10 Compensation Schemes	MRA	FFAM; IRIR; GCCSC; FSC; MoFPS; BOJ; CARTAC/IMF; IADI (FSCS)					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; Assist the FSC in developing the Terms of Reference and scope of work for potential subject matter expert(s); and Assist the FSC in identifying a suitable subject matter expert to review and update the 2010 document and recommendations, in keeping with legislative changes, pending pieces of legislation and financial systems
1.10.1 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 FY2021/22 - FY2024/25									
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)	
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025		
1.10.2 Accounting Compensation Schemes for	FFAM	COM, MRA, IRIR				Q1-Q4	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. 	
1.10.3 Develop Policies, Procedures and Systems for JDIC to Provide Investor Compensation – Contingent on the Implementation of Proposals for the Establishment of Compensation/ Guarantee Schemes for the Non Deposit Taking Sector (Refer to MRA Departmental Plan 1.4)	GCCSC	All Departments, FSC, BOJ, MoFPS				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Prepare information for the preparation of proposal Review drafting instructions Review draft Bill Follow through on TWG activities relating to tabling legislation 	
1.11 Deposit Insurance Fund Adequacy Evaluation (DIFAE)	MRA	FFAM; IRIR; GCCSC;		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Conduct the Deposit Insurance Fund Adequacy Review internally; Present findings and recommendations to COM and Board. 	

TABLE 1								
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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

1.12 Review of the Coverage Limit and the Scope of Coverage	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; IADI; Member Institutions; MoFPS		Q1-Q4				<ul style="list-style-type: none"> Develop survey instrument to ascertain the suite of product offerings by DTIs, the credit unions and other IADI jurisdictions; Conduct survey of the suite of the product offerings.
					Q1-Q4			<ul style="list-style-type: none"> Collate findings on the scope of coverage survey and prepare analytical document; Present recommendations to the COM, and Board, where applicable. Conduct comprehensive review of the coverage rules for further amendments to the Coverage Rules Handbook, if necessary, in collaboration with the Corporate Communications unit to ensure clarity and fulsome understanding by depositors.
						Q1-Q4		<ul style="list-style-type: none"> Prepare background information for the Legal unit to draft Regulation to include the Rules of Coverage, should it be necessary. 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

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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.13 Review of the Coverage Limit and the Scope of Coverage (Cont'd)	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; IADI; Member Institutions; MoFPS					Q1-Q4	<ul style="list-style-type: none"> Conduct review of the coverage limit having due regard to any significant changes in market conditions; Obtain Board sign-off, if necessary, on any change regarding the findings and recommendations on the existing coverage limit; Prepare the necessary Ministerial Order, if a change to the coverage limit is recommended.
1.14 Review of the Premium Assessment Rate	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; Member Institutions; MoFPS			Q1-Q4			<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, the strength of the financial system 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.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Prepare the necessary Ministerial Order, if a change to the assessment rate is recommended. Notify Member Institutions and other relevant stakeholders of changes, if any, to the assessment rate and implementation timeframe. Operationalize and implement any change made to the premium assessment rate, should this be necessary.



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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.15 Examine the Feasibility of a Framework for Differential Premium Rates	MRA	FFAM; IRIR; GCCSC; ICT; BOJ; FSC; Member Institutions			Q1-Q4			<ul style="list-style-type: none"> 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 practicality of implementing such a system for the sector. Present findings and recommendations to COM, and Board, if necessary.
1.16 Update the Deposit Insurance Fund Contingency Funding Plan for Resolution	FFAM	COM; MRA; IRIR		Q1-Q4				<ul style="list-style-type: none"> 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. Update the CFP to align with the Corporation's resolution funding obligations under the DIA and the FIRA.



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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.17 Accounting Policies, Procedures and Systems for the Management of the Resolution Fund to be Established Under the FIRA	FFAM	COM; MRA; IRIR			Q1-Q4			<ul style="list-style-type: none"> Review and update the Accounting and Treasury Management Manuals to account for the management of the Resolution Fund consistent with the FIRA and for the Corporation to act as Receiver and Liquidator. Obtain approval and open a separate Bank Account Open General Ledger Accounts and restructure format to accommodate the processing for the additional requirements.

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CORPORATE PLAN FY2021/22 - FY2024/25										
BUSINESS STRATEGIES Key Initiatives		Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)	
		Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025		
1.18Administration										
1.18.1 Rental of Additional Office Accommodation/Revise and Refurbish Office Layout		FFAM; GCCSC	COM; Procurement Committee; Board		Q1-Q4				<ul style="list-style-type: none">• Prepare Request for Proposal (RFP)• Contract the services of an Office Design Specialist and/or Interior Decorator to assess layout and office space requirements• Agree on design and finalise refurbishing• Contract the services of a Contractor and/or Furniture & Systems Supplier.	
1.18.2 Purchase Acquisition Office of Accommodation		FFAM	COM; Procurement Committee; Board				Q1-Q4		<ul style="list-style-type: none">• Obtain approval of the MOFPS and the Public Investment Management Secretariat (PIMSEC) for the acquisition of office accommodation.• Purchase of office accommodation	

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

1.18.3 Conversion of Energy System - Solar Energy	FFAM	FFAM; COM; Procurement Committee; Board		Q1-Q4				<ul style="list-style-type: none"> Procurement of technical support to conduct assessment. Obtain approval for the procurement for the supply and installation of solar energy system. Commence installation of the solar energy system.
							Q1-Q4	<ul style="list-style-type: none"> Finalise the installation of solar energy system. Commission the solar energy system into operation
1.18.4 Conversion of Air Conditioning Unit	FFAM	COM; Procurement Committee; Board		Q1-Q4				<ul style="list-style-type: none"> Implementation and installation of energy efficient units.

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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

1.18.5 Environmental Management	FFAM	COM; Procurement Committee; Board		Q1-Q4				<ul style="list-style-type: none"> Review Bureau of Standards Jamaica (BSJ) Guidelines (JS) ISO 14005:2017 – EMS Guidelines and implement as appropriate. Determine the requirements and benefits of the ISO certification to ascertain the Corporation's further involvement.
					Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Put in place the necessary requirements to obtain certification.
							Q1-Q4	<ul style="list-style-type: none"> Obtain certification through the BSJ.
1.19 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 FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
1.20 Simulate FRC Inter-Agency Financial Crisis Communication Plan	GCCSC	All Departments and FRC Crisis Communication Team		Q1-Q4				<ul style="list-style-type: none"> In collaboration with FRC Crisis Communication Team, draft TOR to engage consultant to conduct a crisis 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-Q2			<ul style="list-style-type: none"> Execute crisis communication simulation exercise
					Q3-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 FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
2 Strong Partnerships								
2.1 Deliver Training/Seminar for IADI Members and Member States	RIR	All Departments, IADI, Presenters				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Obtain approval of IADI Secretariat to host knowledge event. Finalize logistical arrangements for location. Finalize theme and identify presenters. Issue invitation. Host IADI knowledge event.
2.1.1 Participate in the IADI Capacity Programme	RIR	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 programme and implement strategy to commence offering capacity building programme.



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
2.1.2 Collaborate with the CARICOM Secretariat and Member Countries to Develop a CARICOM Deposit Insurance Policy and Model Law	IRIR	GCCSC; MRA		Q1-Q4				<ul style="list-style-type: none"> Provide technical input and support consistent with the CARICOM TWG.
2.2 Assess JDIC's Compliance With The IADI Core Principles For Effective Deposit Insurance Systems	IRIR	All Departments, Policyholders, FSSNP and IADI			Q2-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 FSSNP partners.

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

2.3 Strengthen Research Capabilities (In Collaboration with Human Resource and Administration Unit)	RIR	RIR, MRA, Legal, HR		Q1-Q4	Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Finalize research paper started in FY 2020/21 (this publication may be limited to JDIC staff only) Publish research paper (Journals and/or publications of international organizations) and/or Submit paper for acceptance and presentation at selected conferences – IADI, FSI, BIS, FDIC research Conference Identify and establish relationship with a selected educational institution to conduct, publish and present 2nd research paper FY 2023/2024 (To be jointly done with JDIC Officers) Agree research topic, prepare outline and commence work for next publication FY 2023/2024



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
2.4 Implementation of Service Level Agreements for Information Sharing with the Central Bank	MRA	CEO; FFAM; IRIR; GCCSC; ICT; BOJ		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Review and resubmit the draft Service Level Agreement with the BOJ, to COM for approval. Resubmit the Service Level Agreement to the BOJ for their input.
								<ul style="list-style-type: none"> Operationalize the Service Level Agreement with the BOJ

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CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
2.5 Strengthen Member Institutions (MIs) Engagement	MRA	CEO; FFAM; IRIR; GCCSC; ICT; Member Institutions			Q1-Q4			<ul style="list-style-type: none"> Continue to work with the Communications Unit to finalize the updating and revamping of the JDIC website.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Provide inputs to Corporate Communications unit with regard to the preparation for the meetings with CEOs of MIs and their respective operations and compliance officers.
2.6 Strengthen Member Institutions/Strategic Partners Engagement	GCCSC	All Departments, Member Institutions, Stakeholders			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Issue invitation letters to member institutions to attend and participate in Policyholders' Fora Prepare power point presentations and evaluation questionnaire for hosting of Fora Prepare Evaluation Report on Fora for the COM and sharing with Policyholders Design survey instrument to gauge Policyholders/strategic partners' confidence in and awareness of the DIS.

TABLE 1

CORPORATE PLAN FY2021/22 - FY2024/25

BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3 Leveraging Information and Communication Technology for Strengthening Operational Efficiency								
3.1 Maintain the Payout Management Information System	RIR	PMIS Team, ICT Staff, ICT FIRM/PMIS Programmer, Business Analyst		Q1-Q4				<ul style="list-style-type: none"> Complete post implementation activities as per work plan agreed in FY 2020/21 Conduct ongoing system maintenance activities Deliver annual PMIS end user training activities to staff Conduct software development work based on agreed post implementation strategies and work plans to achieve a PMIS-V1-Pro. Version 2 (contingent on the procurement of resources in FY 2020/21) Commission independent technical system audit.
					Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Conduct ongoing development and implementation activities necessary to maintain the PMIS based on feasibility studies and work plans.

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CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3.2 Implement Range of Deposit Insurance Payment Disbursement Methods	RIR	ICT Unit, Business Analyst, ICT Firm/PMIS Programmer Accounts Unit, Legal Unit		Q1-Q4				<ul style="list-style-type: none"> Engage Business Analyst (To be included in the scope of work for the MIDIS). Document business requirements and system requirements to interface with the PMIS for the use of electronic bank transfers to disburse payments. Develop implementation plan.
					Q1-Q4			<ul style="list-style-type: none"> Procure ICT Firm to develop and implement electronic bank transfer system may include PMIS software development (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.

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3.3 Implementation of Investment Software	FFAM			Q1-Q4				<ul style="list-style-type: none"> Identify investment software (s) and assess for needs requirement Contact Accounting software provider to assess compatibility for integration with general ledger and address gaps if possible. Obtain approval for acquiring software. Update general ledger with new accounts Update accounting manual and payroll manual Provide training to staff and update job descriptions

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CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3.4 Accounting								
3.4.1 Review and Update the Accounting Software and System Reports	FFAM			Q2-Q4				<ul style="list-style-type: none"> Assess current software and upgrading requirements Contact Accounting software provider to identify appropriate upgrades. Procure upgrades for the MS Dynamics software. Determine module for the MS Dynamics that can benefit the Corporation's operations. Expand General Ledger Chart of Accounts to accommodate the management of different funds.
					Q1-Q2			<ul style="list-style-type: none"> Create and map new general ledger accounts Update accounting manual and payroll manual Provide training to staff

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CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3.4.2 Reengineering Accounting Processes	FFAM	COM; ICT		Q1-Q4				<ul style="list-style-type: none"> Identify relevant training/re-tooling needs as required.
					Q1-Q4			<ul style="list-style-type: none"> Identify and get approval for any system change Implement as required.
3.5 Up-Grade of Human Resource Management and Payroll Software	FFAM	COM; ICT		Q1-Q4				<ul style="list-style-type: none"> Procure Payroll Software Procure new Human Resource Management Information System (HRMIS)
					Q1-Q4			<ul style="list-style-type: none"> Implement Payroll Software Implement HRMIS Software Train users and sensitise staff on the changes and usage of the HRM software to include the Succession and Development, Training and Development, Appraisal System and Attendance Management System.

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3.6 Records and Information Management	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

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3.7 Library	FFAM	COM; Records and Information Officer; All Staff		Q1-Q4				<ul style="list-style-type: none"> Develop a Library Policies and Procedures Manual.
					Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Implement a digital library.
3.8 Review, Update and Simulate ICT Business Continuity Plan and Infrastructure	FFAM	COM; ICT		Q1-Q4	Q1-Q4	Q1-Q4	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.
3.9 ICT Security Policy Programme	FFAM	Internal Auditor; All Staff,		Q1-Q4				<ul style="list-style-type: none"> Commission an independent comprehensive ICT Security Audit Review ICT Security Audit findings and Implement approved changes. Conduct ethical system intrusion procedures. Continue the upgrading of the ICT security infrastructure. Continue ICT security training at all levels.

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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
3.10 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
3.11 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

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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

3.12 Implementation of a Private Branch Exchange (PBX) SYSTEM	FFAM	FFAM; All Staff; COM		Q1-Q3				<ul style="list-style-type: none"> Continue full Implementation of the PBX features. Continue staff sensitisation and training.
4. Building Sustainable Human Resource Capacity								
4.1 Organizational Structure	FFAM	COM; All Staff		Q1-Q4				<ul style="list-style-type: none"> Sensitize employees on the recommendation of the JDIC/Ministry Issue confirmation letters and Job Descriptions for all positions in line with approval received from MOFPS. Adjust salaries accordingly.
4.2 Strengthening of the Human Resource Policies, Guidelines and Procedures Framework	FFAM	COM; All Staff		Q1-Q4				<ul style="list-style-type: none"> Finalise the Human Resource Policies and Procedures Manual Continue training and sensitization of staff in the provision and application of the Manual.
4.3 Performance Management and Development	FFAM	COM; All Staff		Q1-Q4				<ul style="list-style-type: none"> Review the Corporation's operations and determine the staff performance appraisal needs. Review the appraisal documentation in place - Mid-Year Employee Performance and Assessment Form and Employee Performance Management and Development Form and amend where necessary. Obtain COM approval for revision. Train and sensitise staff in the use of the revised forms.



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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
4.4 Employee Welfare – Continue Implementation of JDIC Staff Pension Scheme	FFAM, GCCSC	COM; All Staff; Trustees		Q1-Q3				<ul style="list-style-type: none"> Develop policies relating to the administration of the Pension Scheme. Enrollment of eligible staff to the Pension Scheme and continue sensitizing sessions; Facilitate training of Trustees with the required timelines Facilitate the Trustees making the required reporting and information sharing with Members on the operations and details of the Pension Plan.
4.5 Workplace Wellness and Employee Engagement	FFAM			Q1-Q4				<ul style="list-style-type: none"> Extend Employee Assistance Program to include multiple counselling opportunities; Sensitize employees on standard operation procedures and accessing benefit.
4.6 Business Continuity Amid Covid-19 Pandemic	FFAM			Q1-Q4				<ul style="list-style-type: none"> Implement Remote Working Policy subject to COM and Board of Directors review and approval. Sensitize employees on standard operation procedures and expectations.



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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
4.7 Biometric Screening and Covid-19 Testing	FFAM,	COM; All Staff;		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Develop and Implement approved Wellness Policy; Sponsor Bi-annual biometric screening Sponsor COVID-19 Test on demand; Engage physical fitness coach/launch Corporate Gym Membership Program cost per employee will be capped; Extend Employee Assistance Program to include multiple opportunities 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 and reduce stigma; Host Annual Wellness Fair
4.8 Workplace Wellness and Employee Engagement – Health Insurance Coverage for Retired Employees	FFAM			Q1-Q3				<ul style="list-style-type: none"> Implement Health Insurance Coverage for Retired Employees; Sensitize employees to policy benefits in Retirement Planning;



FINAL CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2021/2022– FY2024/2025

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	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
5. Public Education and Awareness								
5.1 Increased Social Media Marketing/Digital Advertising	GCCS	All Departments		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Continue the development and execution of a strategic digital media advertising campaign to increase the Corporation's visibility among key stakeholders. Conduct survey to evaluate effectiveness of the digital media campaign.
5.2 Produce New Radio And Television Advertisements	GCCS	All Departments		Q1-Q4		Q1-Q4		<ul style="list-style-type: none"> Develop TOR to engage firm for the design/development of new radio and television advertisements Submit ad design/content to COM for approval Finalize radio and television ads and commence airing

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

5.3 Outdoor Advertising – Public Transportation (Mobile), Billboards And Bus Shelters (Stationary)	GCCS	All Departments		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Engage company/firm to develop and design new advertisements for mobile (transportation), bus shelters, videoboards and stationary billboards. Submit ad design/content to COM for approval Contract company/firm for placement of advertisements.
5.4 Design Corporate Website (Darksite)	GCCS	All Departments		Q1-Q4				<ul style="list-style-type: none"> Prepare TOR and procure the services of a consultant/IT firm to design the website Engage Consultant/IT firm to execute website design Obtain COM sign off for the new website aesthetics and content Launch website (internally)

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

5.5 Produce Corporate Video	GCCS	All Departments, Policyholders, JIS		Q3-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.
					Q1-Q4			<ul style="list-style-type: none"> Engage JIS to air video during its television programme. Distribute video to Member Institutions and upload to JDIC website and social media platforms.
5.6 Develop Radio Programme – Docu-Drama	GCCS	All Departments, JIS			Q1-Q4			<ul style="list-style-type: none"> Develop TOR to engage JIS/production company for production of docu-drama Determine DI topics for inclusion in series, programme schedule and submit to COM for approval In collaboration with production house build-out episodes and submit to COM for approval Promote and air radio programme

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

5.7 Schools Programme								
5.7.1 Distribute Book on 'Financial Systems' for Primary Schools	GCCS	All Departments, MOEYI, FSSN Partners		Q1-Q4				<ul style="list-style-type: none"> Print and publish financial education book for primary schools Collaborate with the MOEYI to distribute the financial education
					Q1-Q4			<ul style="list-style-type: none"> Engage SME to develop animated version of financial literacy book Launch animated book
						Q1-Q4		<ul style="list-style-type: none"> Conduct survey to evaluate effectiveness of the financial education book in schools
							Q1-Q4	<ul style="list-style-type: none"> Seek the approval of the MOEYI to include the book in the primary school curriculum as a text book Work with the MOEYI and primary schools towards the implementation of book in the school curriculum

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

5.7.2 Promote Financial Education in Secondary and Tertiary Institutions	GCCS	All Departments, Secondary Schools, Colleges and Universities, JIFS,		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Launch an essay competition for secondary school students, (to include the redesign of the Corporation's logo (in Year 1, competitions for Years 2-4 to be determined) Promote the competition on social media platforms and in the print media Host awards function and announce winners Continue to make DI presentations to secondary schools/other educational institutions
				Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Review all training material and update as necessary Make arrangements to host Policyholders' Training Seminar (at least 2 annually), including invitation letters and engaging Facilitator Prepare detailed report on training seminar including feedback from evaluation forms completed by attendees and submit Report to COM

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

5.8 Conduct Policyholders Training and Develop Complementary Online Programme (Cont'd)	GCCS	All Departments, Policyholders		Q3-Q4				<ul style="list-style-type: none"> Prepare TOR to procure services of a consultant/SME 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
						Q1-Q4	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

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
5.9 Host Public and Stakeholders Fora to Engage Member Institutions, Professional Intermediaries, Nominees and Trustees to Increase Awareness on the Rules For Separate Deposit Insurance Coverage for Beneficiaries	GCCS	All Departments, BOJ, FSC, JSE		Q3	Q3	Q3	Q3	<ul style="list-style-type: none"> Identify target audiences, messages/theme, suitable locations/ platforms and make all the necessary arrangements to host fora; develop/update database and issue invitations to attendees Issue invitation to stakeholders to attend and participate in public/Trust and Nominee Stakeholders Fora Develop advertisements to promote fora in print, electronic and social media Host Fora and prepare evaluation reports for submission to COM
5.10 Community Interaction – Rural Road Tour	GCCS	MRA, IRIR, FFAM, Policyholders, Other Stakeholder groups			Q2-Q4			<ul style="list-style-type: none"> Develop plan for selecting communities/locations/ platforms/events. Make contact with community groups, Member Institutions or other interest groups and make necessary arrangements for tour. Publicize/ promote/brand tour (can also promote through JIS radio programme). Host tours/community events and prepare evaluation reports for submission to COM

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BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	
5.11 Increase Public Awareness and Transparency of JDIC'S Role in Resolution (in Collaboration With The IRIR Department)	GCCS	All Departments		Q1-Q4				<ul style="list-style-type: none"> Assist with preparation/review of draft documents to be included in the public education material, presentations, media publications and website to increase awareness of JDIC's role in resolution. Coordinate the stakeholder sensitization sessions on resolution and JDIC's role in resolution, including Policyholders' Fora
5.12 Rebrand Corporation Implementation of Compensation Schemes for the Non-Deposit Taking Sector – (Refer IRIR & MRA'S Departmental Plans)	GCCS	All Departments, FSC, BOJ, MoFPS			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.

TABLE 1								
CORPORATE PLAN FY2021/22 - FY2024/25								
BUSINESS STRATEGIES Key Initiatives	Department(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2021- 2022	2022- 2023	2023- 2024	2024- 2025	

5.13Public Education and Awareness Survey	GCCS	All Departments,		Q2-Q4		Q2-Q4		<ul style="list-style-type: none"> Prepare TOR to 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 finalize 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
FY2021/22

TABLE 2 – CORPORATE SCORECARD FY2021/2022

	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"> Finalize revisions to the Recordkeeping Guidelines and Compliance Framework and submit to Policyholders for implementation. Revisions to also include recommendations for the update of the Guidelines to incorporate required exemptions for Policyholders based on their size and implication (i.e. principle of proportionality). This is contingent on research findings. Commence the phased implementation of ongoing Policyholder data transmission activities as outlined in the Compliance Framework (timelines 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).
1.2	Engage Member Institutions, Professional Intermediaries, Nominees and Trustees to Increase Awareness on the Recordkeeping and Disclosure Requirements for Separate Deposit Insurance Coverage for Beneficiaries		Q1-Q4	<ul style="list-style-type: none"> Finalize guidelines for professional intermediaries acting as trustees and nominees to comply with their obligations for disclosure and recordkeeping requirements (include simple and clear specifications for data format). Review and update as necessary public education initiatives to increase awareness about the disclosure and recording obligations regarding trust and nominee accounts.
1.3	Test Contingency Planning and Crisis Preparedness			
	1.3.1 Create a Contingency Plan and Crisis Management SharePoint Database		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. Commence ongoing maintenance of database.
	1.3.2 Simulate the Roles of a Receiver and Liquidator in the Resolution of a Non- viable Member Institution			<ul style="list-style-type: none"> Develop simulation and training material including the simulation plan Conduct the simulation and training Prepare simulation report.
	1.3.3 Conduct Multi-agency Financial Crisis		Q1-Q4	<ul style="list-style-type: none"> Participate in FRC led activities to plan and execute the simulation.

	Simulation with other FSSN Partners - BOJ; FSC and MoFPS			<ul style="list-style-type: none"> Develop action plan to address gaps identified during the simulation with regard to the JDIC's mandate Provide technical input based on FRC Inter agency action plans and schedules to address gaps identified during the simulation with regard to the NFCMP.
1.4	Strengthen the Resolution Management Framework	191		
	1.4.1 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) Follow through on the legislative process. Conduct stakeholder sensitization activities.
	1.4.2 Continue to Develop Internal Resolution Policies, Processes and Pre Drafted Legal Documents, Notices and Other Material and Compile a "Resolution Toolkit"		Q1-Q4	<ul style="list-style-type: none"> Draft resolution policies, procedures, legal and other documents based on work plan and develop the Resolution Toolkit. Submit policies, procedures and documentation for requisite internal inputs and approvals (Legal Unit, COM, Board) and stakeholder consultations if required.
	1.4.3 Provide Technical Input in Collaboration with the MOFPS, BOJ and the FSC to Table and Implement the Financial Institution Resolution Act		Q1-Q4	<ul style="list-style-type: none"> Conduct research and provide technical input during all the enactment stages of the FIRA including the consequential amendments to the DIA.
	1.3.2 Develop Guidelines on the Relationship Between the JDIC in its Role as Receiver, Liquidator, and Resolution Administrator and The Bank of Jamaica as The Resolution Authority Under the FIRA.		Q1-Q4	<ul style="list-style-type: none"> Continue research to develop the JDIC's internal organizational structures for liquidations and resolution administrations
1.5	Finalize Framework for Establishing Advisory Panel		Q1- Q4	<ul style="list-style-type: none"> Continue liaising with potential advisors to determine EOI Develop template for terms of reference and engagement contract for members of advisory panel. Submit TOR to advisors Commence ongoing maintenance of pool of advisors.
1.6	Credit Union Admission to the Deposit Insurance Scheme	191	Q1-Q4	<ul style="list-style-type: none"> Review to treat with any nuances in the CUSPA relative to the DIA and recommend proposals, as necessary; Build-out of a risk assessment framework for credit unions; Review the appropriateness of the initial proposed target fund reserve ratio for the sector vis-à-vis the potential risk of the sector;

				<ul style="list-style-type: none"> Research regarding the nuances of the structure of the sector to inform the Corporation's understanding the operations of the credit union sector.
	1.6.1 Accounting for the Admission of Credit Unions (Refer to MRA Departmental Plan)		Q1-Q4	<ul style="list-style-type: none"> Review and update the Accounting and Payroll Manual to accommodate the admission of credit unions to the DIS. Obtain approval and open a separate Bank Account Open General Ledger Accounts and restructure format to accommodate the processing for the additional requirements
	1.6.2 Legislative Amendments to the DIA in Keeping with the Admission of Credit Unions to the Deposit Insurance Scheme (DIS)		Q1-Q4	<ul style="list-style-type: none"> Review and update the Accounting and Payroll Manual to accommodate the admission of credit unions to the DIS. Obtain approval and open a separate Bank Account Open General Ledger Accounts and restructure format to accommodate the processing for the additional requirements
1.7	Update the Monitoring and Risk Assessment Policies and Procedures	-	Q1-Q4	<ul style="list-style-type: none"> Collaborate with the BOJ to determine the risk profile of the credit union sector and develop reporting schedule (frequency and types of reports) and assessment standard for credit unions, and update the PRAF with consequential amendments; Collaborate with the JCCUL regarding information sharing and the monitoring and risk assessment of credit unions, as well as conduct sensitization sessions with JCCUL staff and their 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 to update/develop policy and procedure documents, as appropriate; Review and update the Membership and Admission Policy to treat with monitoring of expanded delivery channels by Member Institutions.
1.8	Implementation of Member Institutions' Business Intelligence Software (MIBIS)		Q1-Q4	<ul style="list-style-type: none"> Document the data requirements for the JDIC to determine the need for a business intelligence (BI) software; If it is determined that there is a need for a BI software, the BA will conduct market research to determine the most feasible BI software that is capable of interfacing with the BOJ JAM-FIRMS; Finalize with the BOJ, all the data requirements necessary for the JDIC to access the BOJ FIRD portal
1.9	Deposit Insurance Fund Adequacy Evaluation (DIFAE)		Q1-Q4	<ul style="list-style-type: none"> Conduct the Deposit Insurance Fund Adequacy Review internally; Present findings and recommendations to COM and Board.
1.10	Review of the Coverage Limit and the Scope of Coverage		Q1-Q4	<ul style="list-style-type: none"> Develop survey instrument to ascertain the suite of product offerings by DTIs, the credit unions and other IADI jurisdictions; Conduct survey of the suite of the product offerings.

1.11	Update the Deposit Insurance Fund Contingency Funding Plan for Resolution		Q1- Q4	<ul style="list-style-type: none"> 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. Update the CFP to align with the Corporation's resolution funding obligations under the DIA and the
1.12	Administration			
	1.12.1 Rental of Additional Office Accommodation/Revise and Refurbish Office Layout	199	Q1- Q4	<ul style="list-style-type: none"> Prepare Request for Proposal (RFP) Contract the services of an Office Design Specialist and/or Interior Decorator to assess layout and office space requirements Agree on design and finalise refurbishing Contract the services of a Contractor and/or Furniture & Systems Supplier.
	1.12.2 Conversion of Energy System - Solar Energy		Q1- Q4	<ul style="list-style-type: none"> Procurement of technical support to conduct assessment. Obtain approval for the procurement for the supply and installation of solar energy system. Commence installation of the solar energy system.
	1.12.3 Conversion of Air Conditioning Unit		Q1- Q4	<ul style="list-style-type: none"> Implementation and installation of energy efficient units.
	1.12.4 Environmental Management		Q1- Q4	<ul style="list-style-type: none"> Review Bureau of Standards Jamaica (BSJ) Guidelines (JS) ISO 14005:2017 – EMS Guidelines and implement as appropriate. Determine the requirements and benefits of the ISO certification to ascertain the Corporation's further involvement.
2.	STRONG PARTNERSHIPS			
2.1	Collaborate with the CARICOM Secretariat and Member Countries to Develop a CARICOM Deposit Insurance Policy and Model Law	187	Q1-Q4	<ul style="list-style-type: none"> Provide technical input and support consistent with the CARICOM TWG.

2.2	Strengthen Research Capabilities (In Collaboration with Human Resource and Administration Unit)		Q1-Q4	<ul style="list-style-type: none"> Finalize research paper started in FY 2020/21 (this publication may be limited to JDIC staff only) Publish research paper (Journals and/or publications of international organizations) and/or Submit paper for acceptance and presentation at selected conferences – IADI, FSI, BIS, FDIC research Conference Identify and establish relationship with a selected educational institution to conduct, publish and present 2nd research paper FY 2023/2024 (To be jointly done with JDIC Officers) Agree research topic, prepare outline and commence work for next publication FY 2023/2024
2.3	Implementation of Service Level Agreements for Information Sharing with the Central Bank		Q1-Q4	<ul style="list-style-type: none"> Review and resubmit the draft Service Level Agreement with the BOJ, to COM for approval. Resubmit the Service Level Agreement to the BOJ for their input.
3.	LEVERAGING INFORMATION AND COMMUNICATION TECHNOLOGY FOR OPERATIONAL EFFICIENCY			
3.1	Maintain the Payout Management Information System	200	Q1-Q4	<ul style="list-style-type: none"> Complete post implementation activities as per work plan agreed in FY 2020/21 Conduct ongoing system maintenance activities Deliver annual PMIS end user training activities to staff Conduct software development work based on agreed post implementation strategies and work plans to achieve a PMIS-V1-Pro. Version 2 (contingent on the procurement of resources in FY 2020/21) Commission independent technical system audit.
3.2	Implement Range of Deposit Insurance Payment Disbursement Methods		Q1-Q4	<ul style="list-style-type: none"> Engage Business Analyst (To be included in the scope of work for the MIDIS). Document business requirements and system requirements to interface with the PMIS for the use of electronic bank transfers to disburse payments. Develop implementation plan
3.3	Implementation of Investment Software		Q1-Q4	<ul style="list-style-type: none"> Identify investment software (s) and assess for needs requirement Contact Accounting software provider to assess compatibility for integration with general ledger and address gaps if possible. Obtain approval for acquiring software. Update general ledger with new accounts Update accounting manual and payroll manual Provide training to staff and update job descriptions

3.4	Accounting			
	3.4.1 Review and Update the Accounting Software and System Reports		Q2- Q4	<ul style="list-style-type: none"> Assess current software and upgrading requirements Contact Accounting software provider to identify appropriate upgrades. Procure upgrades for the MS Dynamics software. Determine module for the MS Dynamics that can benefit the Corporation's operations. Expand General Ledger Chart of Accounts to accommodate the management of different funds.
	3.4.2 Reengineering Accounting Processes		Q1- Q4	<ul style="list-style-type: none"> Identify relevant training/re-tooling needs as required.
3.5	Up-Grade of Human Resource Management and Payroll Software		Q1- Q4	<ul style="list-style-type: none"> Procure Payroll Software Procure new Human Resource Management Information System (HRMIS)
3.6	Records and Information Management	206	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
3.7	Library		Q1-Q4	<ul style="list-style-type: none"> Develop a Library Policies and Procedures Manual
3.8	Review, Update and Simulate ICT Business Continuity Plan and Infrastructure	203	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.
3.9	ICT Security Policy Programme		Q1-Q4	<ul style="list-style-type: none"> Commission an independent comprehensive ICT Security Audit Review ICT Security Audit findings and Implement approved changes. Conduct ethical system intrusion procedures. Continue the upgrading of the ICT security infrastructure. Continue ICT security training at all levels.

3.10	Classification of Information Assets		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
3.11	Implementation of a Private Branch Exchange (PBX) SYSTEM	201	Q1-Q3	<ul style="list-style-type: none"> Continue full Implementation of the PBX features. Continue staff sensitisation and training.
4.	BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY			
4.1	Organizational Structure		Q1-Q3	<ul style="list-style-type: none"> Sensitize employees on the recommendation of the JDIC/Ministry Issue confirmation letters and Job Descriptions for all positions in line with approval received from MOFPS. Adjust salaries accordingly
4.2	Strengthening of the Human Resource Policies, Guidelines and Procedures Framework		Q1-Q4	<ul style="list-style-type: none"> Finalise the Human Resource Policies and Procedures Manual Continue training and sensitization of staff in the provision and application of the Manual.
4.3	Performance Management and Development		Q1-Q4	<ul style="list-style-type: none"> Review the Corporation's operations and determine the staff performance appraisal needs. Review the appraisal documentation in place - Mid-Year Employee Performance and Assessment Form and Employee Performance Management and Development Form and amend where necessary. Obtain COM approval for revision. Train and sensitise staff in the use of the revised forms.
4.4	Employee Welfare – Continue Implementation of JDIC Staff Pension Scheme		Q1-Q3	<ul style="list-style-type: none"> Develop policies relating to the administration of the Pension Scheme. Enrollment of eligible staff to the Pension Scheme and continue sensitizing sessions ; Facilitate training of Trustees with the required timelines Facilitate the Trustees making the required reporting and information sharing with Members on the operations and details of the Pension Plan.
4.5	Workplace Wellness and Employee Engagement		Q1-Q4	<ul style="list-style-type: none"> Extend Employee Assistance Program to include multiple counselling opportunities; Sensitize employees on standard operation procedures and accessing benefit.



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4.6	Business Continuity Amid Covid-19 Pandemic		Q1-Q4	<ul style="list-style-type: none"> Implement Remote Working Policy subject to COM and Board of Directors review and approval. Sensitize employees on standard operation procedures and expectations.
4.7	Biometric Screening and Covid-19 Testing		Q1-Q4	<ul style="list-style-type: none"> Develop and Implement approved Wellness Policy Sponsor Bi-annual biometric screening Sponsor COVID-19 Test on demand; Engage physical fitness coach/launch Corporate Gym Membership Program cost per employee will be capped; Extend Employee Assistance Program to include multiple opportunities 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 and reduce stigma Host Annual Wellness Fair
4.8	Workplace Wellness and Employee Engagement – Health Insurance Coverage for Retired Employees		Q1-Q3	<ul style="list-style-type: none"> Implement Health Insurance Coverage for Retired Employees Sensitize employees to policy benefits in Retirement Planning.
5.	PUBLIC EDUCATION & AWARENESS	183		
5.1	Increased Social Media Marketing/Digital Advertising		Q1-Q4	<ul style="list-style-type: none"> Continue the development and execution of a strategic digital media advertising campaign to increase the Corporation's visibility among key stakeholders. Conduct survey to evaluate effectiveness of the digital media campaign.
5.2	Produce New Radio And Television Advertisements		Q1-Q4	<ul style="list-style-type: none"> Develop TOR to engage firm for the design/development of new radio and television advertisements Submit ad design/content to COM for approval Finalize radio and television ads and commence airing
5.3	Outdoor Advertising – Public Transportation (Mobile), Billboards And Bus Shelters (Stationary)		Q1-Q4	<ul style="list-style-type: none"> Engage company/firm to develop and design new advertisements for mobile (transportation), bus shelters, videoboards and stationary billboards. Submit ad design/content to COM for approval Contract company/firm for placement of advertisements.

5.4	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 the website • Engage Consultant/IT firm to execute website design • Obtain COM sign off for the new website aesthetics and content • Launch website (internally)
5.5	Produce Corporate Video		Q3-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			
	5.51. Distribute Book on 'Financial Systems' for Primary Schools		Q1-Q4	<ul style="list-style-type: none"> • Print and publish financial education book for primary schools • Collaborate with the MOEYI to distribute the financial education
	5.5.2 Promote Financial Education in Secondary and Tertiary Institutions		Q1-Q4	<ul style="list-style-type: none"> • Launch an essay competition for secondary school students, (to include the redesign of the Corporation's logo (in Year 1, competitions for Years 2-4 to be determined) • Promote the competition on social media platforms and in the print media • Host awards function and announce winners • Continue to make DI presentations to secondary schools/other educational institutions
5.6	Conduct Policyholders Training and Develop Complementary Online Programme		Q3-Q4	<ul style="list-style-type: none"> • Review all training material and update as necessary • Make arrangements to host Policyholders' Training Seminar (at least 2 annually), including invitation letters and engaging Facilitator • Prepare detailed report on training seminar including feedback from evaluation forms completed by attendees and submit Report to COM
5.7	Host Public and Stakeholders Fora to Engage Member Institutions, Professional Intermediaries, Nominees and Trustees to Increase Awareness on the Rules For Separate Deposit Insurance Coverage for Beneficiaries		Q3	<ul style="list-style-type: none"> • Identify target audiences, messages/theme, suitable locations/platforms and make all the necessary arrangements to host fora; develop/update database and issue invitations to attendees • Issue invitation to stakeholders to attend and participate in public/Trust and Nominee Stakeholders Fora • Develop advertisements to promote fora in print, electronic and social media • Host Fora and prepare evaluation reports for submission to COM



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5.8	Increase Public Awareness and Transparency of JDIC'S Role in Resolution (in Collaboration With The IRIR Department)		Q1-Q4	<ul style="list-style-type: none"> Assist with preparation/review of draft documents to be included in the public education material, presentations, media publications and website to increase awareness of JDIC's role in resolution. Coordinate the stakeholder sensitization sessions on resolution and JDIC's role in resolution, including Policyholders' For
5.9	Public Education and Awareness Survey		Q2-Q4	<ul style="list-style-type: none"> Prepare TOR to 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 finalize 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

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.