



The Role of the JDIC as Deposit Insurer in Early Detection and Timely Intervention within the Financial System Safety Net Framework

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Caribbean Regional Committee
Latin America Regional Committee
Regional Committee of North America

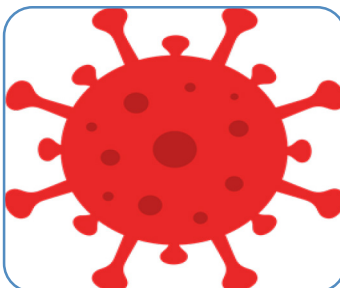
Presentation Outline



Background - Jamaica's FSSN:
Institutional Arrangements for Early
Detection and Timely Intervention

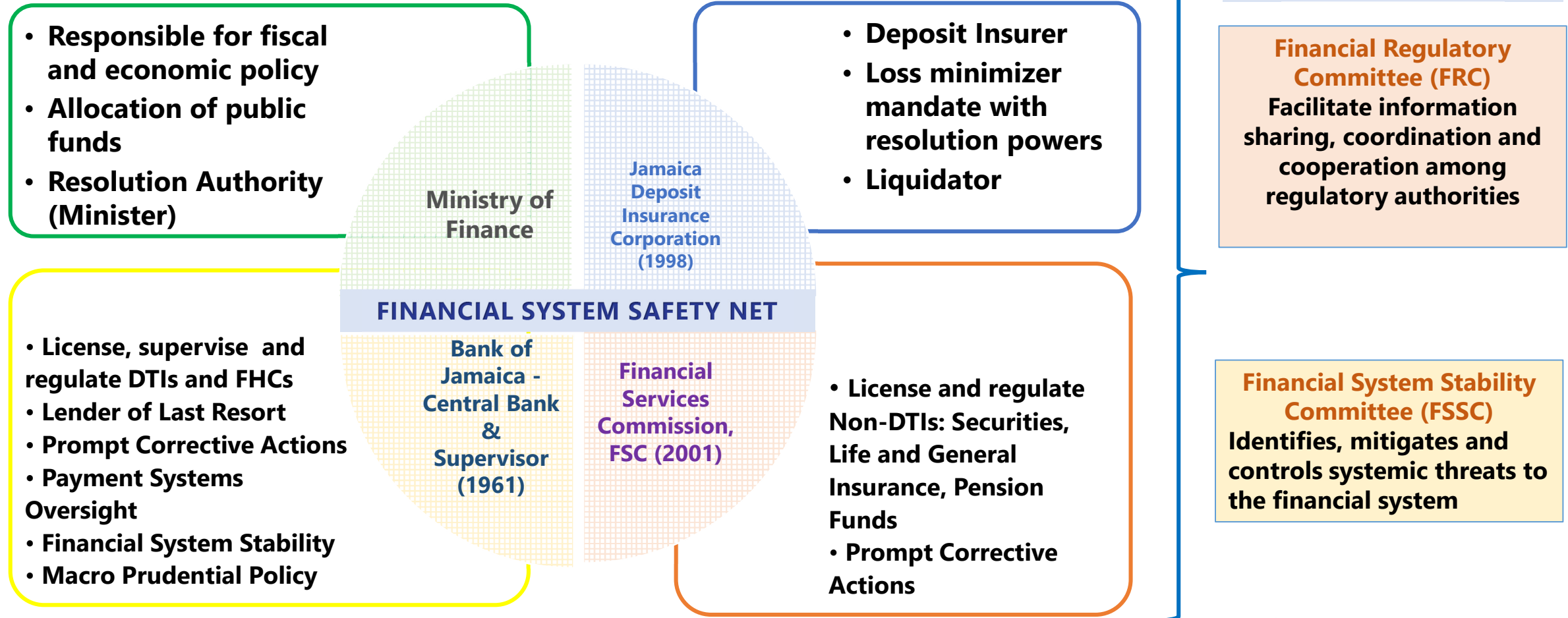


Methods & Processes for Early
Detection and Timely Intervention

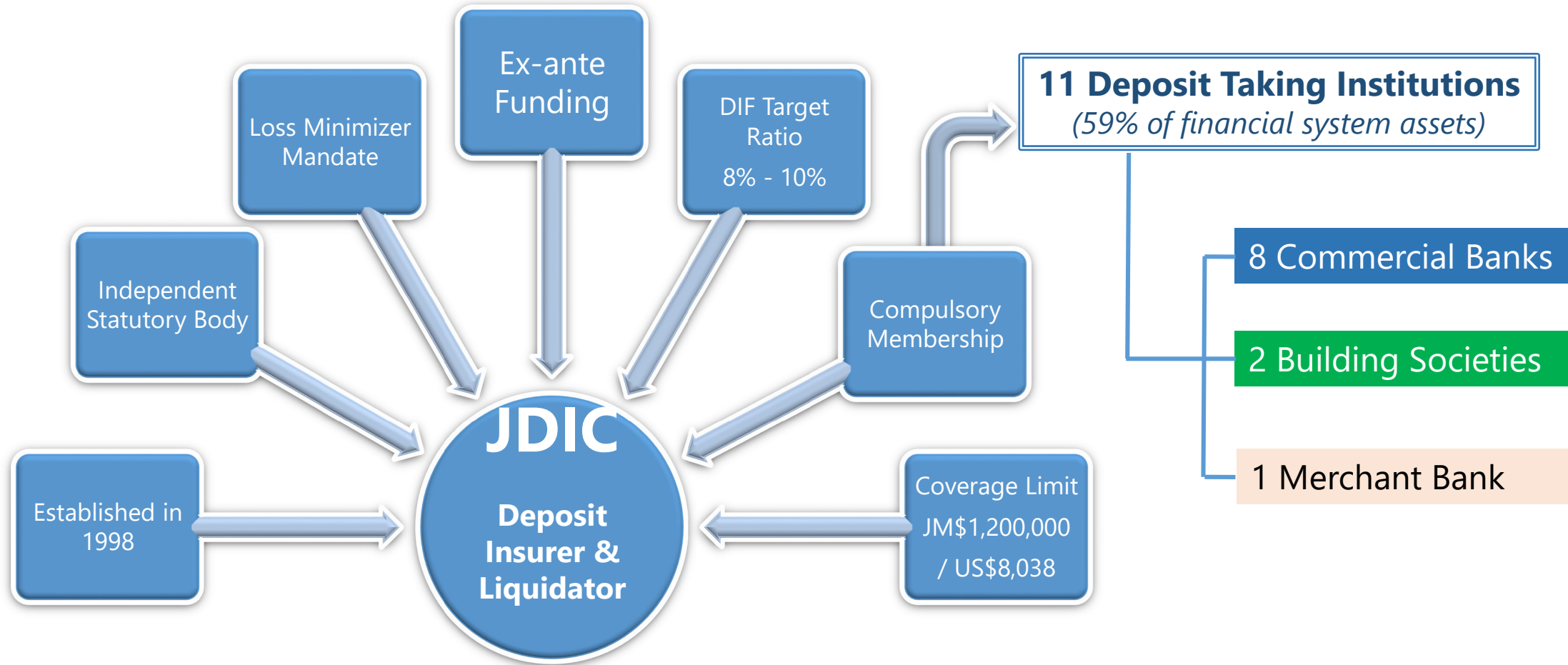


COVID-19 Response, Lessons
Learned & The Way Forward

Jamaica's Financial Safety Net: Institutional Arrangements for Early Detection and Timely Intervention



Key Design Features of the Jamaica Deposit Insurance Scheme



Financial System Characteristics



JDIC: Methods for Early Detection and Timely Intervention



Information Sources

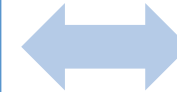
- Member Institutions financial and non-financial information
- Micro and macro-prudential data
- Supervisor's on-site and off-site assessments
- Supervisor's PCAs and directives
- Market and environmental data

Policyholder Risk Assessment Framework [PRAF]

- Qualitative & quantitative assessments (CAMELS/risk-based)
- Compliance - prudential standards
- Compliance-Policy of Deposit Insurance
- Identify high risk institutions
- Assign stage on Crisis Intervention Matrix
- Place on JDIC's Watch List
- Enhanced monitoring and information sharing with the Supervisor

Resolution Preparedness & Management Framework

- Assess adequacy of legal and operating framework
- Assess adequacy of the DIF and other resources
- Test and enhance preparedness - training & simulations
- Activate Crisis Management Plan
- Participate in resolution decisions
- Conduct preparatory planning
- Execute payout and resolution activities
- FI winding-up



GUIDING PRINCIPLES

Adequate Legal and Operating Framework

Proactive Policy Making & Responses

Effective Stakeholders Collaboration, Coordination, Information Sharing

Effective Resolution Strategy

Institutional Capacity and Technical Expertise

Early Detection and Timely Intervention Methods and Processes – JDIC’s COVID-19 Response



Enhanced Monitoring of Member Institutions/DTIs*

- More frequent and intensive monitoring of FIIs performance by the Supervisor & the JDIC
- Enhanced collaboration and information sharing among JDIC and other members of FSSN

More Frequent Testing of Operational Readiness

- Bi annual evaluation of the adequacy of the DIF and review of DIF investment strategy
- Quarterly review and testing Business Continuity and Disaster Preparedness Plans, Data Security & Cyber Risks
- Quarterly simulations and update JDIC Crisis Management Plan
- Conducted a multi agency crisis simulation and updating FSSN Inter agency National Crisis Management Plan (ongoing)
- More targeted training - core staff in crisis management

Increased Stakeholder Engagement

- One-on-one virtual meetings with Policyholders (Heads of Entities)
- More intensive public education program

*** Central Bank implemented several pre-emptive measures to ensure DTIs and Non DTIs access to liquidity**

JDIC - No changes to date in design features of the DIS in response to the pandemic (increased coverage limit effective August 2020, was not in response to COVID-19, however timely and sought to boost confidence)

Early Detection and Timely Intervention Methods and Processes – JDIC Crisis Response Lessons Learned & Way Forward



Place greater attention on areas of non-financial risk (pandemics, cyber security, climate change) to be included in our PRAF, Crisis Management Plan and Business Continuity Plan



Develop commensurate policy responses to address risk related to the digitization of financial products and services and to identify and deal with the implications for prompt intervention and resolution



Prioritize the introduction of a centralized database for all FSSN partners; and supotech initiatives



Conduct more frequent inter-agency crisis simulations and training activities



Expand public education programs to inform public on JDIC's role in crisis management and resolution

спасибо
danke 謝謝
ngiyabonga
teşekkür ederim
dank je
gracias
tapadh leat
moichchakkeram
go raibh maith agat
arigatō
dakujem
merci
ευχαριστώ
감사합니다
terima kasih
sukriya
kop khun krap
grazie
sagolun
dziękuję
hvala
mauriuru
bedankt
obrigado