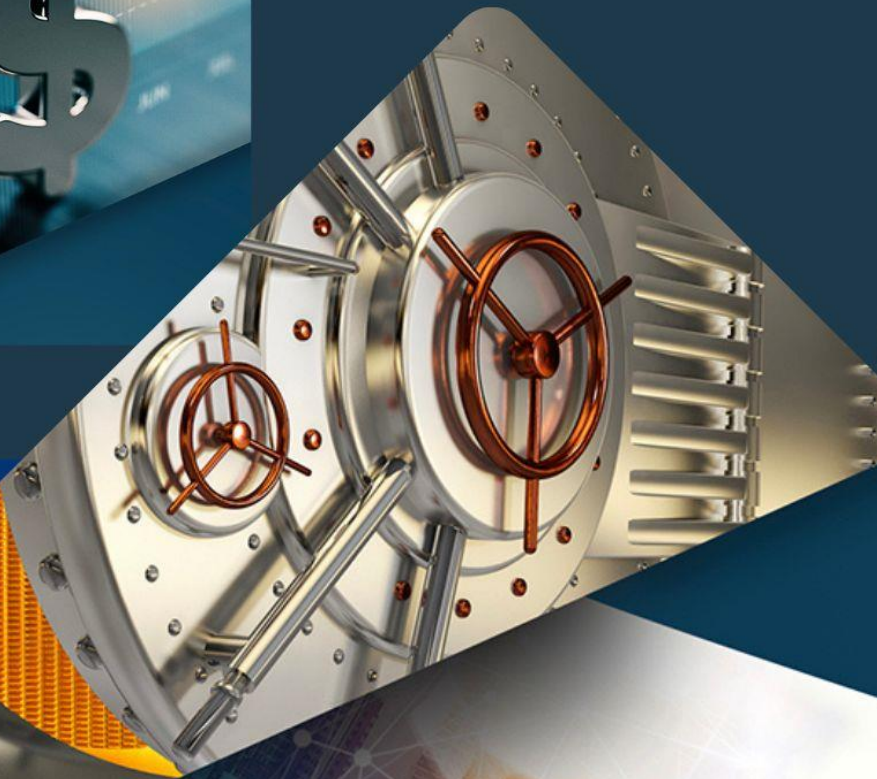




JAMAICA DEPOSIT INSURANCE CORPORATION
FINAL CORPORATE PLAN, OPERATING AND CAPITAL BUDGETS
FY2023/24- FY2026/27





VISION

To contribute to the highest levels of financial consumer protection and financial system confidence and stability in Jamaica and support financial stability of the Caribbean region by leveraging Financial System Safety partnerships.

MISSION

In contributing to the stability and confidence in Jamaica's financial system, the Jamaica Deposit Insurance Corporation:

- *Protects depositors against loss of their insured deposits*
- *Facilitates the resolution of non-viable Deposit Taking Institutions in cooperation with the Financial System Safety Net Agencies*
- *Promotes financial consumer education and financial inclusion*
- *Supports the enhancement of financial consumer protection initiatives*
- *Manages the Deposit Insurance Fund*

To execute on its Mission, the Corporation will create a knowledge management environment which promotes excellence in professional and technical expertise, acknowledging employees as our internal customers and allowing them to realize their full potential.



CORE VALUES

The Core Values are the common philosophies/behaviours that keep employees grounded through any transformation. JDIC's Core Values are:

ACCOUNTABILITY	We accept our responsibilities, strategies and initiatives and carry them out in a transparent manner.
INTEGRITY	We promise to adhere to strong moral and ethical principles in carrying out our responsibilities.
PROFESSIONAL EXCELLENCE	We exercise skill, good judgement and adherence to appropriate standards and practices, communicating effectively and appropriately, always pursuing team objectives and ensuring the highest level of productivity in the performance of our duties.
TEAMWORK	We preserve an environment of collaborative efforts, respect and mutual support, where our best solutions come from embracing each employee's unique talents.
ADAPTABILITY	We proactively pursue the objectives of the Corporation recognizing changes in the operating environment and monitor productivity to improve our operations.



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ABBREVIATIONS

BCBS	Basel Committee on Banking Supervision
BIS	Bank of International Settlements
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
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



MEFP	Memorandum of Economic and Financial Policies
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
SRR	Special Resolution Regime

EXECUTIVE SUMMARY

1. BACKGROUND

The Deposit Insurance Scheme (DIS) in Jamaica came into effect with the passing in 1998 of the Deposit Insurance Act (DIA). This was in response to the mid-1990's financial sector crisis in Jamaica's financial system. The DIA brought into effect the Jamaica Deposit Insurance Corporation (JDIC/the Corporation) with its principal object being the establishment and management of a Scheme for the insurance of deposits or parts thereof against the risk of loss (Deposit Insurance Scheme/DIS). The JDIC in its capacity as Deposit Insurer also has the power to act as liquidator for the restructuring and winding up of insolvent banks and their holding companies and subsidiaries. These powers allow the JDIC to participate in the resolution of non-viable financial institutions where the selected option involves purchase and assumptions and other types of restructuring transactions, which seek to preserve the business value of the Policyholder for the purpose of the protection of depositors, and aiding in the preservation of financial stability. For the purposes of effecting the objectives of the DIS, the DIA also establishes a Deposit Insurance Fund (DIF) into which is paid annual and other premiums from Policyholder institutions and investment income, as well as borrowings by the JDIC and amounts realized from the liquidation of assets of Policyholders. From the DIF deposit, insurance payments can be made to depositors where their Policyholder is insolvent; any loans and advances that the JDIC can make pursuant to its other powers under the DIA and the payment of expenses incurred by the Corporation in the exercise of its functions under the DIA. The JDIC CEO sits as a member of the FSSN's Financial Regulatory Committee and Financial System Stability Committee, both being Committee's statutorily prescribed under the Bank of Jamaica Act. In the context of its mandate and powers the Corporation remains a critical component of Jamaica's financial system safety net and public administration mechanism for engendering and supporting depositor confidence and financial system stability.

JDIC's primary stakeholder beneficiaries remain depositors of its Member Institutions; presently all commercial banks, merchant banks and building societies. JDIC Member Institutions are the deposit taking institutions regulated and supervised by the Bank of Jamaica (BOJ) and prescribed under the Deposit Insurance Act (DIA) as Policyholders.

Fintech Changes How We Focus

Economies and financial markets globally continue to be impacted, mostly adversely, by unprecedented events and rapid changes, including those brought on by the pandemic and geo-political conflict. Facilitating many of the rapid changes is the continuing technological advancements in financial services; the clear way of the future. Developments in financial technology (fintech) continue to evolve and transform the economic and financial landscape, including Jamaica's. Fintech is disrupting the traditional financial services model, forging an acceleration of digitization of products, new purchasers of financial products and new markets; while presenting challenges and opportunities for financial institutions, regulators, deposit insurers, depositors, and other financial consumers.

Additionally, fintech innovations have resulted in an increase in fintech deposit-like products, and non-traditional payment methods and systems with regulators having to enhance their supervision and monitoring as financial innovations may not fit existing regulations. Such is the impact that international standard setting bodies, including the Bank of International Settlements (BIS) and the International Association of Deposit Insurers (IADI), as well as financial system regulatory authorities are assiduously assessing the implications of fintech on financial system stability. These innovations, *inter alia*, dictate that the Corporation will likely have to envision its primary stakeholder beneficiaries as not only the traditional depositors but also those who now use deposit like fintech products as well, being preemptive in all its areas of work including research and advancing appropriate policies that help mitigate the risks that innovation in financial products bring.

This is in addition to reopening its prior years' work on the development and implementation of Compensation Schemes for the non-deposit taking sector together with the Financial Services Commission. The Corporation will therefore continue to deploy its strategy for proactive readiness to ensure that value is created for stakeholders while attendant risk is mitigated under an enabling policy framework and adequate legal underpinning.

Focus on Ensuring Crisis Management and Resolution Capacity

Importantly also is the continued enhancement of the Corporation's resolution framework to ensure the most effective tools and resources are in place to ensure its mandate takes precedence. The Corporation will therefore continue the build out of its existing powers to act as

liquidator/trustee of Policyholders and their holding companies and subsidiaries. The exercise of JDIC existing powers will be better coordinated with the BOJ's; including the latter is prospective powers as the statutorily designated resolution authority for financial institutions in Jamaica, (replacing the current law, which places this responsibility in the Minister with responsibility for finance). This will be supportive of an administrative resolution model that strengthens regulatory governance; increases transparency and reduces conflict of interests. The expectation is for the appointment of the JDIC as a resolution administrator (including liquidator/trustee) under the impending legislation the Financial Institutions Resolution Act (FIRA). The reform is to achieve a resolution framework for non-viable financial institutions in Jamaica premised on the expectation of financial institution safety net authorities being able to deal with financial institutions in distress before they become balance sheet insolvent and securing options that will see no creditor worse off. This will serve to assure the desirable levels of protections to depositors and evolve the scope of financial system safeguards that will ensure confidence and stability as financial systems and markets evolve. The FSB *Key Attributes for Effective Resolution Regimes for Financial Institutions* and the IADI *Core Principles for Effective Deposit Insurance Systems* also provide guidance in this regard and serves as important benchmarks for the Corporation in strengthening its resolution framework.

How We Do it - Sustainable Human Resource Capacity and Digital Transformation

As in prior years, the strategy for *Building Sustainable Human Resource Capacity* remains central to the Corporation achieving its mandate and goals. The business model remains keeping a small core of expert and technical staff who can successfully carry out, or direct as the case may require, depositor protection initiatives, as well as crisis management and resolution initiatives that reduces the cost to the public purse and maintains financial system stability. This means that adequate levels of compensation for JDIC staff, a protracted issue, is expected to be addressed early in the planning period. Adjusted levels of compensation should see parity with the Corporation's peer organizations as the level of expertise required of the staff, which incorporates expectation for forward looking policy guidance to the governing authorities and legislators; with commensurate implementation capabilities and, as well, technical advice and support to the other members of the financial system safety net which have primary mandates for regulation of the financial system and financial stability.

During the four-year planning period FY2023/24 to FY2026/27, the JDIC will focus on further strengthening of its information and communication technology infrastructure by implementing a strategic digital transformation plan developed with experts to achieve a leading edge for the JDIC. The objectives of the plan are: to increase customer and stakeholder experience/value; process optimization and automation for efficiency by optimizing the use of data and data analytics; strengthen information and data security, systems resilience and recovery; and promote an agile organization culture of innovation and general digital acumen.

2. THE ENVIRONMENTAL SCAN, SWOT ANALYSIS, PLANNING ASSUMPTIONS, ENVIRONMENTAL MANAGEMENT AND ENTERPRISE RISK MANAGEMENT

The 4-year Corporate Plan, Operating and Capital Budgets for FY2023/24 - FY2026/27 is prepared following an environmental scan; a SWOT analysis; planning assumptions; environmental management activities and risk assessment; JDIC's prior year achievements and its 4-year strategic destination/goals.

The environmental scan considered significant developments in the global, regional and domestic economic environment, developments in the Policyholders regulatory environment and other financial regulatory environment. Emerging developments and trends in financial system regulation; deposit insurance systems; key international standards and supporting guidance were also key to the assessment. Key risks and opportunities for the Corporation were assessed for action.

Risk identification and validations sessions showed that the highest risk remained the Corporation's inability to fully implement a sustainable human resource strategy, (the *JDIC Organizational Review, Job Evaluation and Reclassification Recommendations* of 2018 to the MoFPS now partially 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.

3. BUSINESS STRATEGIES - FY2023/24 – FY2026/27

Against the Management's research and analysis advising the Corporate Plans the implications for the Corporation were identified and policy responses examined. The analysis revealed that the business strategy themes: (i) Proactive Readiness and Resolution Management; (ii) Strong Partnerships; (iii) Leveraging Information and Communication Technology for Operational Efficiency and Value Creation; (iv) Building Sustainable Human Resource Capacity; and (v) Public Education and Awareness, adopted in prior periods, remained relevant through the planning period.

Operational Plans - Summary of Key Initiatives to Advance the Business Strategies

The business strategies and supporting initiatives are detailed in the *Operating Plans (Appendices 5 - 9)*, highlighted under *Business Strategies for FY2023/24- FY2026/27* and summarized in *Tables 1 and 2*.

The key initiatives under the strategy for *Proactive Readiness and Resolution Management* include: the continued phased implementation of the Standard Record Keeping Guidelines and Compliance Framework for Policyholders and engagement of relevant stakeholders to ensure implementation is effective; and reviewing testing and improving the various elements of the Corporation's crisis preparedness and management framework at the agency and inter-agency levels with the other levels with the other FSSN agencies under the remit of the FRC. Initiatives will also continue in regards to building out and enhancing institutional capacity to operationalise the Corporation's statutory role and functions in the resolution of financial institutions (DTIS, FHCs and subsidiaries) and continuing to work with the other FSSN agencies to draft the FIRA. This will include prioritizing the submissions for the proposals to table legislative amendments to better clarify, ensure certainty and transparency in regard to roles and powers in resolution and the rules for winding up financial institutions. A comprehensive review of the DIS scope of coverage will also be conducted with due consideration to the evolving changes in the operation environment, such as, range of product and service offerings of Policyholders, fintech developments and depositors expectations to ensure the public policy objectives are being met. In keeping with the Corporation's digital transformation thrust, a Member Institution Intelligence Software will be developed leveraging technology to improve the Corporation's research, data management

and analytics functions and towards strengthening the Policyholder monitoring, risk assessment and compliance frameworks

The strategy for *Strong Partnerships* includes work with IADI and CARICOM member states; participation in IADI's Capacity Building Programme; work with CARICOM Secretariat and member countries to draft a CARICOM Deposit Insurance Model Law; sign off on information sharing MOU with the BOJ and Service Level Agreements with the BOJ and the FSC, and engagement with Policyholders and other major stakeholders through fora and workshops.

The strategy for *Leveraging ICT for Operational Efficiency and Value Creation* includes: initiatives in keeping with the strategic digital transformation plan, such as development of a business intelligence software for monitoring and risk assessment and resolution management; implementation of range of deposit insurance payment disbursement methods; implementation of an investment software, updated accounting and human resource management software; implementation of records management software and electronic library; use of reputation and brand management software tools; update to the ICT security policy, ICT infrastructure and business continuity plan.

The strategy for *Building Sustainable Human Resource Capacity* includes the implementation of the salary scales in keeping with the MoFPS approved organization structure and job reclassification; updating and strengthening the human resource and performance management policies; resolution and crisis management training, welfare and workplace wellness initiatives.

The *Public Education and Awareness* strategy, revamped during FY2021/22, will continue with increased social media usage and digital advertising; the production of new radio and television advertisements; development of a feature programme for radio; promotion of financial education in primary, secondary and tertiary institutions and distribution of a book on financial systems developed (primary level); phased rebranding of the Corporation with the inclusion of credit unions in the DIS and the later implementation of compensation schemes for the non-DITs; Policyholders training; public fora and work on the National Financial Inclusion Council. In FY2023/24 (year 1) the Corporation will celebrate twenty-five (25) years of operations and will mark this significant milestone with a series of events and outreach activities, commencing with a church service. Public awareness surveys will be conducted to measure the effectiveness of the programme.

4. FINANCIAL PROJECTIONS

The Deposit Insurance Fund (DIF/the Fund) – the DIF is made up of initial and annual premiums paid by Policyholders, and an initial contribution into the Fund by the GOJ. Management of the Fund is in keeping with the DIA and is guided by the Corporation's Investment Policy. The DIF adequacy evaluation, required to be conducted at least once annually, indicated that the Fund was deemed adequate to meet its liabilities and potential liabilities, taking into account the risk posed by Policyholders. The projected balance in the DIF at the end of year 1 is \$38.39 billion and is expected to grow to approximately \$51.1 billion at the end of the 4-year period, taking the DIF reserve target ratio closer to the lower end of the target range of 8 -10 percent set by the Corporation. Further, there is the assumption that there will be no call on the DIF during the planning period, however as the occurrence and magnitude of a financial crisis is not necessarily readily predicted, 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.

Income and Expenditure - 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 for the application of the prescribed premium rate, being 15 basis points. The projection is for insurable deposits to grow by 13 percent each year of the planning period. The BOJ in line with its inflation targeting regime for maintaining a range of 4 – 6 percent, has been adjusting its signal interest rates which moved from 0.5 in August 2021 to 7.0 (November 2022). The projected average yields on the Investment portfolio are in the range of 7.40 - 7.60 percent annually (7.20 percent at June 2022). The JDIC will continue to review of its investment mandate, policies and strategies to optimize the growth of the 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; in particular, the long-awaited implementation of the new salary scales consistent with the GOJ implementation timelines. Also,

to provide adequate accommodation for team members, during the planning period the Corporation will continue the present fixed term lease arrangement (entered into October 2022 to end September 2025) and the acquisition of new premises, to be just completed prior to expiration of the lease. Of note effective April 1, 2022, the Corporation implemented a Defined Benefit Pensions Scheme for its staff, with full time permanent employees of the said date, there by terminating the fixed term contract inclusive of gratuity type employment contracts that has prevailed since the Corporation's establishment in 1998.

With sound management of investment operations, and notwithstanding a continuing lower interest rate environment, Net Surplus ratio (Total Surplus over Total Income) is projected to remain comfortably around 75 percent in each year of the 4-year period of the Plan. This is in the context of a net surplus of 88.6 percent at end FY2021/22 where significant expenditures were not undertaken due primarily to external approvals not obtained.

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 and other Income. 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 as well as the costs of enhancements to the Corporation's building and work space infrastructure and will be between approximately 55.0 to 58.0 percent over the 4-year period. In this context, Asset Management and Return on Assets ratios are relatively flat. Total Administration Costs as a percentage of the DIF remains highly creditable approximately 2.7 percent. 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 anticipated.

INTRODUCTION

THE SETTING

With financial system stability paramount for a country's economic growth and development, the past decade can be characterized by the many national reforms to secure financial system stability consequent on ravages of the Global Financial Crisis of 2007-2009. Since that period, there has been a number of reforms and enhancement of financial system protections, driven by global standard setting bodies, to improve cross border financial regulation and resolution of financial institutions. These reforms also impact Deposit Insurance Systems to have them adequately integrated into a country's Financial System Safety Net (FSSN)¹, such that the synergies of these institutions provide maximum value to the objective of financial stability, and that this is sustainable.

The COVID-19 pandemic starting in mid-2019 and continuing to 2022 and the Russian war in the Ukraine starting in 2022 again saw a scramble by national governments to have to seek to protect their economies and financial systems, as supply chain disruptions and fossil fuel cartel suppliers' strangleholds on world oil prices continue to adversely impact national economies and giving the truth to the ever-present adverse aspects of globalization.

During these past two decades also, Fintech has accelerated financialization and digitization of financial products and services, and financial system regulators and Deposit Insurance Organizations struggle to keep up with this recognizing that this too has brought pervasive underlying risk to the global and national economies.

Looming also, and more so existential, is climate change risk and national regulators are now working to play their part in ensuring resilience of financial systems against these risks.

The lessons learned in the last nearly decade and a half, most poignantly by financial regulators and financial system safety nets more generally is that risk to financial systems and economies have been heightened and will remain so into the foreseeable future. Financial systems safety nets must be proactive, technologically responsive, have strategies for sustainable human resource capacity and the maintenance of strategic and strong partnerships and facilitate public education and awareness about the financial system if the required levels of value is to be created and enhanced, supportive of national economies growth and development.

THE JDIC

Jamaica Deposit Insurance Corporation (JDIC/the Corporation) was established in 1998 under the Deposit Insurance Act, as reform response to the financial system crisis in Jamaica in the mid-1990s with the purpose of providing deposit insurance protection with its ultimate public policy objective being to contribute to the highest levels of financial system confidence and stability in Jamaica. In carrying out this objective, JDIC must take all such measures as may be necessary

¹ In Jamaica the FSSN Partners are the Ministry of Finance and the Public Service, the Bank of Jamaica, the Financial Services Commission and the JDIC

that there is the least possible exposure to loss. It is noted that this national response to financial system crises has been a best practice standard since the formation of the Federal Deposit Insurance Corporation (FDIC) in response to the Great Depression of the early 1930s in the USA. There are over 100 deposit insurance agencies around the globe today, as well as other financial system protection schemes, which also cover the consumers of insurance products and investments through securities firms, and pension schemes (commonly referred to as Compensation Schemes). These agencies, as in the case of the JDIC, forms part of the various countries financial system safety net.

JDIC's mandate for insuring deposits include providing depositors with prompt access to their deposits up to the prescribed coverage limit (presently J\$1.2 M per depositor, per insured institution), where their deposit taking institutions (DTIs) 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. In fulfilling this mandate, the JDIC is not only responsible to pay out depositors in a timely manner if their bank fails, but to ensure financial sector confidence. The JDIC also has the necessary powers in specified circumstances to make loans and advances to support restructurings of financial institutions and to act as liquidator to effect restructurings and winding up of banks, and other financial institutions where they form part of a financial conglomerate.

The DIA also mandates the establishment of a Deposit Insurance Fund (DIF/the Fund), which the 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, 2022 was \$32.99 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 as 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 pay out of the depositors of small non-systemic insolvent Policyholders, or otherwise facilitate resolution options for financial institutions where financial system stability is at risk. The DIF is the only statutory source of funds designated explicitly to deal with the resolution of financial institutions in financial distress.

THE FY2023/24 – FY2026/27 CORPORATE PLAN

This four-year Corporate Plan, developed against the background of JDIC's statutory objects and broader mandate for contributing to financial system stability as outlined above, includes promoting the required reforms to deal with existing and emergent risk of loss to the consumers of financial services within a framework that minimizes moral hazard. The Plans are designed to facilitate ongoing reforms to the financial system safety net infrastructure consistent with *Jamaica's Vision 2030 National Development Plan*.

Financial System Reforms - Benchmarking International Standards, Building Sustainable Human Resource and Institutional Capacity

Jamaica, like its regional counterparts, 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: protection schemes for non-deposit taking financial institutions; financial consumer protection and financial inclusion strategies; appropriate institutional arrangements among FSSN partners and cross border arrangements.

In furtherance of the reforms for resolution management, the Corporation continues to enhance its resolution readiness strategies and framework. Further to this the JDIC's mandate and role in resolution will be more explicitly clarified upon the passing the proposed Financial Institution Resolution Act (FIRA). Under the FIRA, the BOJ will be designated the resolution authority and the JDIC may be designated a resolution administrator, in the context of its existing powers and capacity. The FIRA will also include provision for the establishment of an explicit resolution fund that the JDIC will manage.

To ensure its mandate is met, the Corporation remains focused on building its technical competencies for depositor protection and resolution management under its strategy for "*Building Sustainable Human Resource Capacity*". In this context, the Corporation awaits the MoFPS full approval of its *Organizational Review, Job Evaluation and Recommended Classification and Compensation Report* submitted in August 2018. The Organizational Structure was approved in October 2021 and it is anticipated that the MoFPS will in the current financial year engage the JDIC to discuss and agree JDIC salary scales commensurate with the nature of the impact of the JDIC on the economy and the levels of expertise and skill required of its staff.

In keeping with international standards of best practice and global reforms, the Corporation will continue the deployment of appropriate public education and awareness programmes. To ensure increased confidence the 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, including joint initiatives under the Consumer Protection and Financial Capability working group (*National Financial Inclusion Strategy*) and going forward greater reliance will be placed on the use of digital media platforms in delivering the programme, however ensuring balance with traditional media for reach and impact.

Strategic Digital Transformation Plan

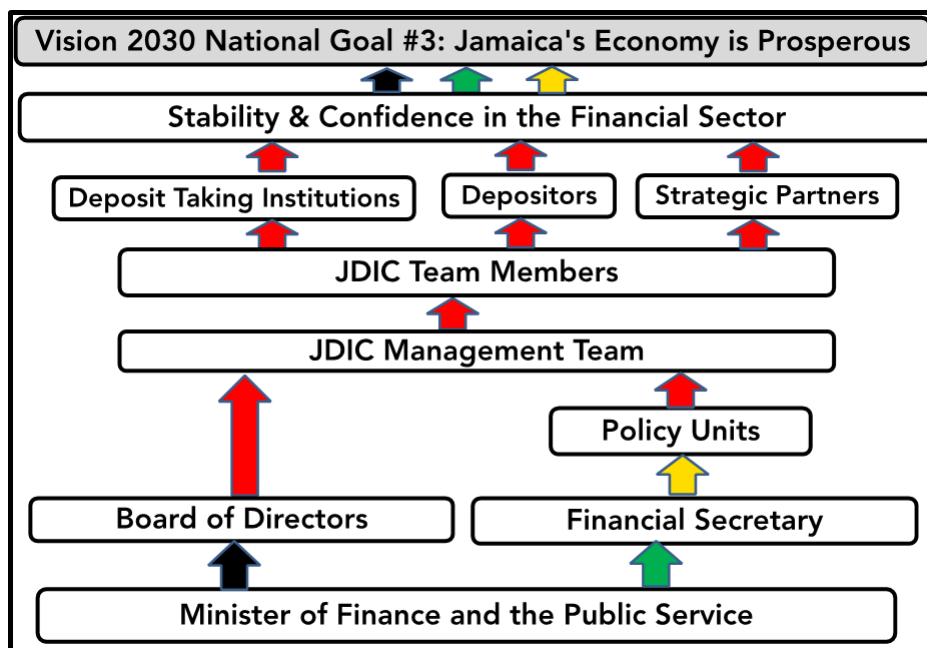
To enhance its value proposition a key business strategy for the Corporation is “*Leveraging Information and Communication Technology for Operational Efficiency and Value Creation*” and during FY2022/23 the Corporation embarked on the development of a *Strategic Digital Transformation Plan*, to be implemented commencing in Year 1 of the planning period and continue into the medium and longer term. The overall digital transformation objective is to renew the Corporation’s ability to successfully carry out its mandate and functions, in an environment where digital technology is accelerating the development of new financial products and services; and creating new opportunities and risks for financial service providers, financial consumers, regulators, supervisors, deposit insurers and as well the stability of financial systems. The Corporation’s digital transformation objectives are to increase customer, stakeholder experience/value; process optimization and automation for efficiency by optimizing the use of data/ data analytics; strengthen information and data security, systems resilience and recovery and promote an agile organization culture of innovation and general digital acumen through changes in enterprise-wide mindset, skills and practices. Although leveraging technology is already recognized as a key business strategy and an enabler for operational efficiency, the transformation plan articulates a road map towards a desired level of digital maturity and includes rationalizing and prioritizing the implementation of digital initiatives targeted to achieving the objectives.

Continuing the Transformation - Defining and Creating Value

The strategic/corporate planning period commenced with validation of the business strategies, a review and assessment of the enterprise risk and the enabling KPIs for FY2022/23 (*Refer Appendix 4*). The objective of the planning process served to clarify the methodologies to clearly articulate and test the value-creating proposition of the JDIC, as a public sector entity in a financial system safety net regulatory framework. To allow for the required transformative effect, the modelling process focused on the functional levels of the organization and will be further developed during the planning period.

Key considerations in the planning process included the Corporation’s Mission and Vision, its Value Creation Chain, Strategic Destination, and Performance Gaps. The Operating Plans detail the business strategies and key initiatives required to be conducted during the planning period in order to fill the performance gaps.

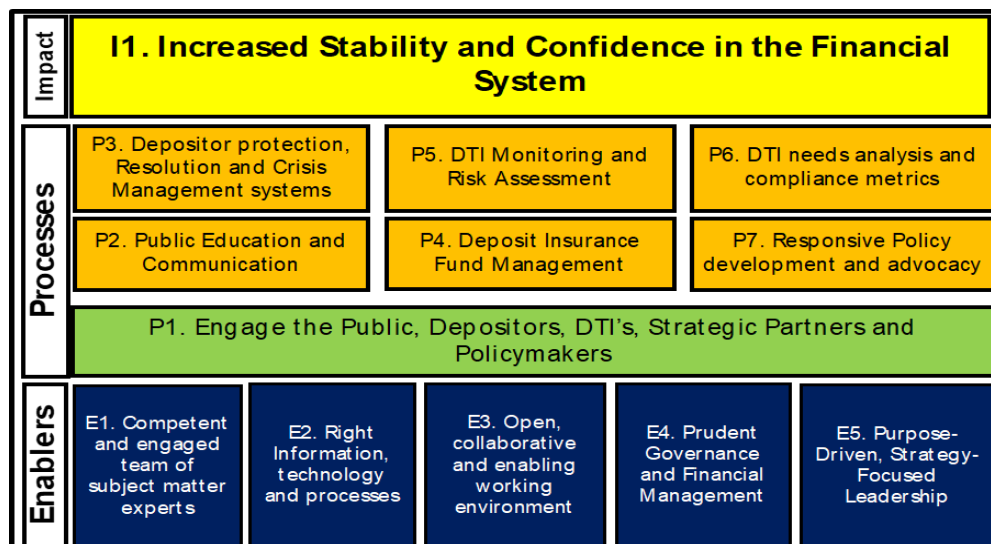
The **JDIC Value Creation Chain** which depicts how the Corporation creates value for the society and the critical links in that chain is shown below.



The **Strategic Destination and Performance Gaps** indicate where the Corporation needs to be at the end of the 4-year planning period and the required performance to achieve this. Mission-driven performance indicators and the 4-year vision-driven performance targets define that future desired performance (shown below). Based on where JDIC is presently (FY2022/23), the 4-year Performance Gaps are calculated and form the basis of the corporate/ strategic plan, indicating the extent of improvement required to attain the strategic destination.

Performance Indicators	FY2021/22 Year 0 Actual	FY2022/23 - 2025/26 Year 4 Target	FY2022/23 - 2025/26 Percentage 4-Year Gap
1. Ratio of Deposit Insurance Fund over Insured Deposits	6.4%	7.5%	17%
2. Public Awareness of DIS	46%	60%	30%
3. Confidence in DIS by Depositors	80%	90%	12.5%
4. Confidence in DIS by Policyholders	95%	98%	3%
5. % Return on Investment relative to T-bill Rate	7.0ppt	TBD	TBD
6. Staff Satisfaction Survey Score	65%	80%	23%
7. Strategic Partners Satisfaction Survey Score	95%	98%	3%
8. Resolution Readiness Score	70%	80%	14%

The **Strategy Map** expresses pictorially the cause-and-effect linkages from **Enablers and Processes** (input of the strategy) to the **Organization's Impact and Mission** (output of the strategy).



The Key Initiatives/Projects identified to drive the strategic/corporate plan and to make the Corporation ready to execute are highlighted below and detailed in the Operating Plans, under the respective business strategies.

- Enhance depositor protection resolution and crisis management system to expand resolution capabilities
- Design and implement a technology transformation strategy to support JDIC operations
- Enhance the public education programme to be more effective and stakeholder-focused
- Revamp the DTI engagement system to be more relationship building and customer-centric
- Design and implement a system for DTI needs analysis and tailored solutions to achieve compliance
- Revamp relationship building and engagement systems with strategic partners
- Implement realigned organizational structure to strategy
- Revamp Performance Management System aligned to the JDIC strategy
- Design and implement a Culture Change programme to support the JDIC strategy
- Design and implement a Strategic Leadership and Management Development Programme

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 slightly revise its *Mission and Vision Statements and Core Values*. However, it was determined that the *Business Strategies* pursued in the previous period remained relevant. These are:

- (i) Leveraging Information and Communication Technology for Operational Efficiency and Value Creation**
- (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 against which corporate performance will be measured. The key initiatives 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 *Operating Plans (Appendices 5-9)* and include, but are not limited to, its core accountabilities for ensuring the Corporation's compliance with relevant legislation and 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 (FY2023/24).

Monitoring, Evaluating and Reporting - Monitoring and evaluation of the Corporation's performance will be ongoing and reported in keeping with the requirements under the DIA and the Public Bodies Management and Accountability Act (PBMA).



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

The global economic environment is characterised by significant uncertainty owing to economic, geo-political and ecological changes. Recovery has been slow due to challenges such as the Russian-Ukraine war, historically high inflation levels and a slowdown in economic activity in China.² The economic outlook is largely dependent on growth prospects in major economies, monetary and fiscal policies as well as developments pertaining to the Russia-Ukraine war. Amidst the uncertainty, the JDIC and other members of the FSSN³ continue to work together to enhance the financial system regulatory framework. In this vein, the Credit Unions (Special Provisions) Act⁴ and the Financial Institutions Resolution Act (FIRA) are currently at an advanced stage of completion to further strengthen the financial system. Work will continue regarding the establishment of compensation schemes for non-deposit taking institutions (non-DTIs)⁵, in collaboration with the Financial Services Commission (FSC).

Jamaica's financial system has remained largely resilient and robust. During the planning period, the Corporation will continue to monitor the performance of its Policyholders, finalize plans for the admission of the credit union sector to the Deposit Insurance Scheme (DIS) and build out 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 FY2023/24 – FY2026/27, the Corporation conducted an environmental scan to guide an appropriate mix of strategies and policies for the four-year planning period. The results of the scan are presented under the following headings:

- 1. Global Economic Developments and Outlook**
- 2. Regional Developments and Outlook**
- 3. Domestic Economic Developments and Outlook**
- 4. Policyholders' Performance**
- 5. Other Developments in the Financial Regulatory Environment**

² IMF World Economic Outlook – October 2022

³ Includes the Ministry of Finance & the Public Service, the Bank of Jamaica, the Financial Services Commission, and the Jamaica Deposit Insurance Corporation.

⁴ This will bring the Credit Union Sector under the regulatory ambit of the BOJ and membership in the DIS.

⁵ These include life insurance, general insurance, and securities dealers.

6. **Deposit Insurance Best Practices Standards, Developments and Trends**
7. **Policy Responses and Key Initiatives: Being Proactive and Adapting to the Changing Environment**

1. GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

Recovery in the global economy has been tempered by challenges namely the Russian invasion of the Ukraine, high inflationary pressures and slowdown in China. The IMF projects that the world output will increase 3.2 percent in 2022 and slow to 2.7 percent in 2023. Advanced economies are projected to grow 2.4 percent while Emerging Market and Developing Economies are projected to grow 3.7 percent. Of note, a decline in economic growth is projected for Jamaica's major trading partners for the next two years (**See Table A**).

Table A: Economic Growth of Jamaica's Major Trading Partners 2021 – 2023			
	2021	2022P	2023P
United States	5.7	1.6	1.0
United Kingdom	7.4	3.6	0.3
Canada	4.5	3.3	1.5
China	8.1	3.2	4.4
P – Projections			

2. REGIONAL DEVELOPMENTS AND OUTLOOK

Similar to the global realities, the economic recovery from the COVID-19 pandemic has been stifled in the Caribbean region by the war in the Ukraine and inflationary pressures that exist. Notwithstanding, the IMF projects 12.4 percent growth in the Caribbean in 2022 compared to 5.1 percent in 2021. The positive outlook can be largely attributed to slow but positive growth for countries within the region with high growth prospects for Guyana (**See Table B below**). The Corporation continues to monitor the developments in Caribbean counterparts for any potential impact on Jamaica's financial system or the economy, particularly as Policyholders seek out other markets for expansion and growth. Below is an overview of the performance of selected Caribbean countries which also operate a deposit insurance scheme.

Barbados

The Barbados economy experienced double digit GDP growth of 10.1 percent in the first nine months of 2022 largely due to recovery in the tourism sector. Data also indicates that economic recovery will continue through to the end of the year bolstered by tourism. However, international commodity prices pose a risk to the country's recovery. The financial system remains resilient, and the Central Bank of Barbados stated that capital buffers at commercial banks are well above the minimum requirement.⁶

The Bahamas

The Bahamas is heavily reliant on tourism and as such, its economic performance was adversely affected by the COVID-19 pandemic and containment measures resulting in overall contraction in economic activity. The economy is seeing momentum in its recovery fuelled by foreign investment flows and tourism. While recovery is expected to continue for the rest of 2022, elevated downside risks include resurgence in COVID-19 vulnerabilities, higher global fuel prices constraining the travel industry's competitiveness and the potential for policies to combat inflation impacting the travel spending capacity of key source market consumers.⁷

Trinidad and Tobago

In the Trinidad and Tobago economy, economic output was subdued in 2022 owing largely to contraction in the energy sector. The economy is estimated to have declined by 0.1 percent at the end of March 2022 relative to March 2021. Economic activity is expected to improve for the remainder of 2022 due to pending projects, increased demand for energy related products as well as increased activity in the non-energy sectors.⁸

Guyana

In Guyana, oil production has increased significantly and is projected to propel GDP growth in the near-term. Real GDP growth is projected at 57.8 percent in 2022. The main risks to the outlook are oil price volatility, a slowing global economy and potential macroeconomic imbalances.⁹

⁶ Central Bank of Barbados – Review of Barbados' Economic Performance – January to September 2022

⁷ Central Bank of Bahamas – Monthly Economic and Financial Developments – September 2022

⁸ Central Bank of Trinidad and Tobago – Economic Bulletin – July 2022

⁹ IMF Executive Board – September 2022

Table B: Economic Growth of Caribbean Counterparts 2021 – 2023			
	2021	2022P	2023P
Barbados	0.7	10.5	5.0
The Bahamas	13.7	8.0	4.1
Trinidad & Tobago	-0.7	4.0	3.5
Guyana	23.8	57.8	25.2
P – Projections Source IMF WEO – October 2022			

3. DOMESTIC ECONOMIC DEVELOPMENTS AND OUTLOOK

Despite global economic uncertainty, Jamaica's economic indicators point to a modest recovery in activity in the country. The Jamaican economy is estimated to have grown 4.8 per cent in the April to June 2022 quarter compared to the same period last year. Unemployment has also improved with the unemployment rate of 6.6 percent as at July 2022, 1.9 percentage points lower than in July 2021. Annual point to point inflation at the end of October 2022 was 9.9 percent exceeding the upper limit of the BOJ target range (4.0 to 6.0 percent) for the fifteenth month. In response to the consistent breach in the target range, the Bank of Jamaica increased the policy interest rate to 6.50 percent per annum effective September 30, 2022 (compared to 1.50 percent in the corresponding period in 2021).

The medium-term macroeconomic outlook for Jamaica is positive despite global economic slowdown and prevailing uncertainties. This is also supported by the international rating agency S&P affirming GOJ's Long-Term Foreign and Local Currency Issuer Default Rating (IDR) at 'B+' with outlook at stable. S&P indicated that Jamaica's economy will continue to recover, and based its ratings on the expectation that the country will remain committed to macroeconomic and fiscal discipline with a continued downward trajectory of the debt burden. **Table C** below outlines the Government's projected economic growth out-turns for the periods FY2022/23 to FY2025/26.

Table C: Jamaica's Medium Term Macroeconomic Profile				
	FY2022/23P	FY2023/24P	FY2024/25P	FY2025/26P
Real GDP Growth (%)	4.1	1.7	1.0	1.0
Inflation: Annual Pt to Pt (%)	6.8	5.2	5.0	5.0
Primary Balance (% GDP)	5.9	5.4	5.0	5.0
Current Account (% of GDP)	-1.8	-2.7	-1.7	-1.1
Fiscal Balance (% of GDP)	0.3	0.3	0.3	1.1
NIR (US\$ Mn)	3,687.6	3,262.2	3,670.3	3,661.4
Source: GOJ Fiscal Policy Paper FY2022/23 - September 2022 P – Projections				

4. POLICYHOLDERS' PERFORMANCE

JDIC's Policyholders remained resilient amidst the economic uncertainty with each Policyholder being adequately capitalized and solvent relative to key prudential indicators at the end of June 2022. The total number and the sector composition of Policyholders remain unchanged. At the end of June 2022, there were eleven (11) institutions: eight (8) commercial banks, two (2) building societies and one (1) merchant bank. Total insurable deposits were estimated at \$1,569.6 billion reflecting an 8.4 percent increase compared to June 2021. Insured deposits declined 8.1 percent year over year to an estimated \$518.7 billion. The increase in insurable deposits and simultaneous decline in insured deposits is indicative of depositors holding deposits in bands above the coverage limit. The system's capital adequacy ratio (CAR) declined marginally from 14.2 percent at end June 2020 to 14.1 percent at end June 2022 and remained well above the regulatory minimum of 10 per cent. Policyholders' loan portfolio grew 8.6 percent between June 2021 and June 2022. Non-performing loans increased by 1.1 percent year over year at the end of June however asset quality remained strong with a ratio of non-performing loans to total loans of 2.7 percent, 0.2 percentage points below the level at the end of June 2021 and well below the regulatory maximum of 10 percent. Selected financial system outturns as at end June 2022 are summarized in **Table D** below.

At the end of April 2022, there were 25 credit unions in operation with total assets of \$156.5 billion and total savings of \$122.3 billion. The Corporation remains in dialogue with the Jamaica Cooperative Credit Union League and the Bank of Jamaica as internal monitoring continues in preparation of the passing of the Credit Unions (Special Provisions) Act.

Table D: Financial System Outturns as at June 30, 2022			
	June 2021	June 2022	% Change
Total Assets (Bn)	2,167.44	2,309.73	6.6%
Deposits (Bn)	1,470.95	1,615.58	9.8%
Insurable Deposits (Bn)	1,447.31	1,569.58	8.4%
Insured Deposits (Bn)	564.35	518.67	-8.1%
Total Gross Loans (Bn)	1,089.56	1,183.40	8.6%
CAR	14.2%	14.1%	-0.1%
NPL/Total Loans	2.9%	2.7%	-0.2%
Annualized ROAA	2.1%	1.9%	-0.2%
Liquid Assets to Deposits	34.8%	34.1%	-0.7%

5. OTHER DEVELOPMENTS IN THE FINANCIAL REGULATORY ENVIRONMENT

5.1 LEGISLATION TABLED OR TO BE TABLED IN THE PARLIAMENT WHICH IS OF INTEREST TO THE JDIC

- **The Co-operative Societies (Amendment) Bill**

The Co-operative Societies (Amendment) Bill (the Bill) will bring Cooperatives Societies under the regulatory ambit of the Bank of Jamaica (the Bank). Once enacted the Bill will restrict deposit-taking activities of co-operative societies to those co-operative societies which operate as credit unions. It is anticipated that the Bill will be presented to Parliament jointly with the Credit Unions (Special Provisions) Bill, which contains the substantive prudential requirements which credit unions will be subjected.

- **The Credit Unions (Special Provisions) Bill**

Upon the promulgation of the Co-operative Societies (Amendment) Bill and the Credit Unions (Special Provisions) Bill all credit unions will be under the regulatory and supervisory ambit of the Bank of Jamaica. As such, the Bill will provide for, licensing, capital, reserves, prohibited business, remedial and intervention processes, and the role of specially authorized Credit Unions. Upon the promulgation of the Bill and the licensing of credit unions, credit unions will become member institutions of the Deposit Insurance Scheme (DIS).

- **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 be one stand alone piece of legislation that will provide authorities with the 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.

5.2 ANTI-MONEY LAUNDERING, COUNTER FINANCING OF TERRORISM (AML/CFT) AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION RULES

In accordance with the 2013, revised FATF Recommendations, the Bank of Jamaica (the Bank) has drafted a proposal for the development of AML/CFT Supervisory Rules, to the Banking Services Act. These rules will, among other things:

- a. Codify the risk-based examinations and oversight processes pertaining to the AML/CFT oversight functions of Bank of Jamaica;
- b. Outline the areas in the BOJ's AML/CFT Guidance Notes with which compliance will be expressly mandated and allow the Bank to directly sanction breaches of those requirements.

The requirements under the Guidance Notes with which compliance will be expressly mandated pertain to areas regarding:

- a. Risk Based Framework;
- b. Know Your Customer, Know the Transaction Counterparty and Customer Due Diligence;
- c. Special Guidance – UNSEC Resolutions on the Proliferation of Weapons of Mass Destruction;
- d. Special Guidance – Branches and Subsidiaries;
- e. Nominated Officer Regime;
- f. Board Responsibility and Employee Integrity and Awareness;
- g. Compliance Monitoring;
- h. Transaction Monitoring and Reporting; and
- i. Record Keeping.¹⁰

6.0 DEPOSIT INSURANCE BEST PRACTICE STANDARDS, DEVELOPMENTS AND TRENDS

Developments and emerging trends, both globally and locally, continue to influence financial systems in various ways. These trends range from stricter regulations for enhancing financial system stability to more openness to creating an enabling environment to drive innovation in financial

¹⁰ [Legislation » Bank of Jamaica \(BOJ.org.jm\)](#)

products and services, while minimizing risk, promoting financial inclusion, and protecting financial consumers. As members of financial systems safety net, regulators, supervisors, deposit insurers and resolution authorities continue to adapt their practices to new realities, driven by emerging developments and trends. They also have access to a growing body of accepted international standards that seek to bolster guidance through increased research and an expanded scope, against the background that financial services continue to extend beyond traditional boundaries.

A key emerging development and trend that continues to evolve and impact financial system regulators, is the development in Fintech that has propelled the digitisation of financial services, enhanced competition, efficiency and financial inclusion. However, concerns have risen regarding financial stability, competitive distortions, consumer protection, and gaps in the regulatory framework. With the increased use of technology, the potential for cybersecurity risks has also risen and if not promptly addressed could negatively impact financial stability. The impact of climate change on financial systems is also ever growing, materializing as physical and/or transition risks with implications on the value of assets or on financial stability. Deposit insurers, in alignment with their mandate, are also becoming more involved in resolution and crisis management and as a result there is the need for greater information sharing and collaboration with other FFSN partners and clarity of roles. The global standard setting community continues to keep abreast of these key issues and is working on improving and developing supporting best practices.

A summary of the international standards against which the Corporation benchmarks its operations; key emerging developments and trends impacting financial systems; implications for the regulatory and operating environment, with specific focus on deposit insurers, other investor protection schemes, and financial system stability are outlined below:

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

The JDIC periodically assesses its operations and compliance against selected international standards and where necessary, implements initiatives to strengthen its legal and operating framework. These key standards issued by the IADI, FSB, BCBS and OECD are summarized below.

International Association of Deposit Insurers (IADI) Core Principles for Effective Deposit Insurance Systems
(revised 2014)

Sets the benchmark standards for jurisdictions to establish and assess the quality of their deposit insurance systems and to identify gaps in their deposit insurance practices and measures to address them.

Financial Stability Board (FSB) Key Attributes of Effective Resolution Regimes for Financial Institutions
(revised 2014)

States the core elements that the FSB considers to be necessary for an effective resolution regime to allow authorities to resolve financial institutions in an orderly manner without taxpayer exposure to loss from solvency support, while maintaining continuity of their vital economic functions.

Basel Committee on Banking Supervision (BCBS) Basel Framework
(revised 2012)

Provides a comprehensive standard for establishing a sound foundation for the regulation, supervision, governance, and risk management of the banking sector and for identifying future work to achieve a baseline level of sound supervisory practices.

OECD G20/OECD Principles of Corporate Governance
(endorsed by G20 leaders in 2015)

Guides policymakers in evaluating and improving the legal, regulatory, and institutional framework for corporate governance, with a view to supporting economic efficiency, sustainable growth, and financial stability. Also provides support of open government strategies and initiatives towards public

6.2 EMERGING DEVELOPMENTS AND TRENDS

Resolution of financial institutions now requires deposit insurers to play a greater role. This should be supported by clearly defined mandate, explicit roles, sufficient powers and resources, rules to safeguard the use of the DIF in resolution, effective coordination and information sharing mechanisms with the other FSSN participants.

Fintech developments have accelerated the digitisation of financial services, and contributed to increased competition, efficiency, and financial inclusion. Leveraging FinTech can improve payout timelines. Albeit FinTech poses potential for: volatility in deposits; bank funding; complexity in deposit insurance coverage rules; and as well there are current gaps in regulatory frameworks.

Cross-border issues are becoming more relevant and complex. Given the increasing interconnectedness of global financial flows, ownership structures and the expanding borderless and digital nature of financial services. This poses challenges regarding, supervision, depositor reimbursement and resolution activities.

Climate-related risks may be physical and or transition and impact on the value of assets, viability of financial institutions, financial stability and as well Deposit Insurers' and other FSSN partners' operational capacity.

Environmental, Social and Governance considerations should be incorporated in supervisory framework and investment decisions in the financial sector as a form of sustainable finance. Deposit insurers should consider incorporating sustainable finance in fund management practices.

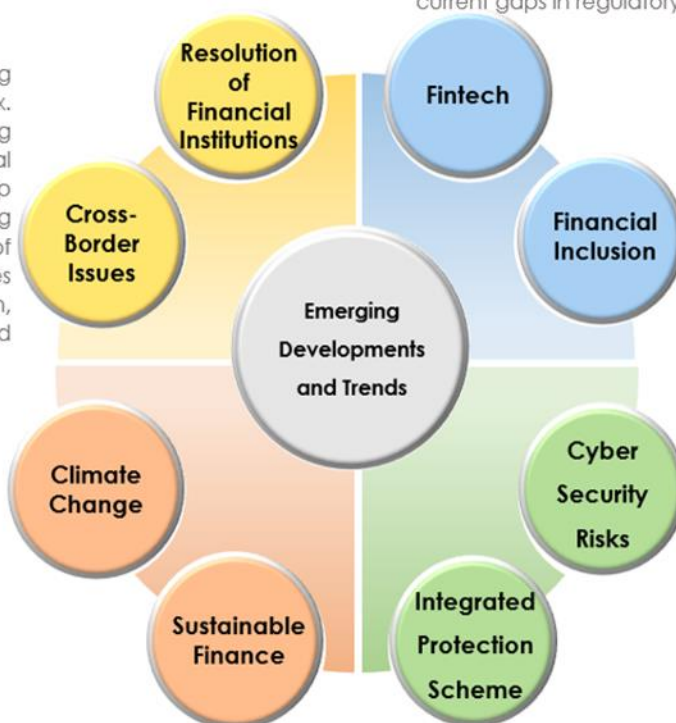
Fintech

Financial Inclusion

Financial inclusion has the potential to improve given the rapid digitisation of financial services; and lower cost barriers for accessing financial services and information asymmetries. This may require deposit insurers to review the design of their DIS to extend coverage to these products to align with their public policy objectives.

Cyber Security is increasingly becoming a factor of risk to the provision and availability of digital financial products and ultimately financial stability. Monitoring and pricing DTI operational resilience risk may be a challenge to supervisors, deposit insurers and resolution authorities.

Integrated Protection Schemes are being established and managed by deposit insurers to bolster protection of investors and policyholders, contribute to financial inclusion, and support special resolution regimes.



6.2.1 Fintech Developments¹¹

The rapid development in financial technology (Fintech) is disrupting the traditional financial services model, forging an acceleration of digitisation, and presenting challenges and opportunities for regulators and supervisors, financial consumers, and protection schemes. One of the key elements of the fintech landscape is digital currencies. These include private currencies such as Bitcoins, Ethereum and digital versions of national bank currencies. Because of the use of cryptography techniques, a large subset of digital currencies is referred to as cryptocurrencies.

Fintech innovations have resulted in an increase in deposit-like products and payment systems, challenging regulators, and deposit insurers to enhance their supervision and monitoring as financial innovations may not fit existing regulations. Jurisdictions have started exploring or using technological innovations to address regulatory challenges and assist in the management of regulatory compliance, as well as to support supervision in areas such as consumer education and protection, implications for risk profiles of traditional banks, and technological failures of a non-bank service provider or third-party platform. The IADI recently reported that depositor reimbursement is likely to be affected over the coming years by a number of fintech developments, e.g., the blockchain technology. In combination with near-live refreshes of the single customer view, leveraging by deposit insurers on fintech technologies may contribute to shorter pay out time periods and may improve overall depositor experience in the reimbursement process. The single customer view is fundamental to safeguard the monitoring and preparatory role of the deposit insurer.

International standard setting bodies, as well as financial system regulatory authorities are conducting further work regarding the implications of fintech on financial system stability. The FSB proposes to establish a framework for the international regulation of crypto-asset activities. The Bank for International Settlements (BIS) has established an Innovation Hub which identifies critical trends in technology affecting central banking and develops in-depth insights into these technologies thereby equipping central banks, supervisors and other safety net participants with contemporary tools and methodologies to modernise their activities. A Fintech Technical Committee has also been created by IADI to explore the implications of fintech developments on deposit insurance.

¹¹ The Financial Stability Board (FSB) has defined fintech 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.”

6.2.2 Financial Inclusion

Promoting financial inclusion has become a key priority of governments and financial system authorities across jurisdictions given the benefits for economic growth and financial stability. Financial inclusion is being aided by the rapid increase in fintech developments that is seen as a gateway for consumers to have better access to affordable financial products and services for transactions, payment, savings, credit, and insurance. This has resulted in improved access to digital financial services for people previously unserved or underserved by the traditional or centralized banking sector. Notwithstanding, institutional weaknesses, low levels of bank competition, high cost of financial services, inadequate infrastructure, and an excessively restrictive regulatory environment continue to negatively impact financial inclusion in some economies.

Standard-setting bodies have recognised the importance of financial inclusion and research is ongoing in the area. Financial regulators need to ensure that regulations do not impede inclusion and regulatory oversight and intermediation-enhancing benefits of fintech developments do not compromise traditional regulatory goals such as financial stability, adequate competition, and consumer protection.

6.2.3 Cyber Security Risks

Cyber security risks and its threat to financial stability have heightened with the increase in digitisation. This risk not only extends to the interruption of, and delay in providing, financial services which could also lead to a bank default, but also impact data privacy. In this regard, regulators and deposit insurers need to ensure safeguards are in place to protect consumer data. Deposit insurers need to be aware of the risk exposure and put in place measures to mitigate against cyber security risks as this could negatively impact operations and their crisis management and resolution activities including providing timely and accurate reimbursements.

6.2.4 Integrated Protection Scheme

The growing need to protect financial consumers from loss and preserve the stability of the financial system has led to greater interest in establishing integrated protection schemes. According to IADI, an integrated protection scheme (IPS) is when a single agency, usually a pre-existing deposit insurer, provides a guarantee or protection to investors in securities firms, and or policyholders of insurance companies, in addition to depositors in banks, for the loss of insured

funds or unsatisfied claims in the event of a member institution's failure. The FSB acknowledges that an effective resolution regime should protect, where applicable, and in coordination with the relevant insurance schemes and arrangements such depositors, insurance policyholders and investors as are covered by such schemes and arrangements and ensure the rapid return of segregated clients' assets.

Jurisdictions contemplating the establishment of an IPS should carefully consider the structure of the financial system, their public policy objectives, expectations of financial consumers, the limit and scope of coverage, funding mechanism, including back-up financing in emergency situations, and an effective resolution regime. These jurisdictions will also need to ensure sound governance and decision-making framework while maintaining separate funds for each protection scheme. The need for this emerging trend is even more evident as financial products become more complex with innovation. An IPS will enhance consumer financial protection and inclusion as well as support an effective resolution regime. Malaysia, UK, Mexico and Spain among others have placed the function of investor and or policyholder protection within the existing deposit insurer.

6.2.5 Sustainable Finance

An emerging field in finance is the intersection between technology, sustainability, and finance. This evolution is expected to accelerate as emphasis is placed on building a green economy, including through increased focus on environmental liabilities, brown and stranded assets, and measurement of carbon emissions, impact on biodiversity and use of scarce resources such as water. How this translates into new fields of finance is still very much an evolving space, yet key focus areas are emerging, including green bonds, green loans, green listed equity, sustainability-linked products, standardization of environmental, social and governance (ESG) disclosures, measurement of environmental liabilities and impact, stress testing of portfolios and exposures and carbon trading.¹²

Against this background, institutional investors are taking keener interest in ESG issues when making investment decisions in the financial sector, which result in greater longer-term investments into sustainable economic activities and climate-related objectives. This has been supported and led by regulators, asset managers, and standard setting bodies. In some OECD jurisdictions, ESG has become mainstream finance aligning investments with a low-carbon transition and helping

¹² BIS Innovation Hub work on green finance

investors align with specific climate-objective and strategies.¹³ However, challenges exist in terms of data inconsistencies, promulgation of different approaches, lack of comparability of ESG criteria and rating methodologies across sectors and jurisdictions, as well as inadequate clarity over how ESG integration affects asset allocation.

Policies should be considered to foster global interoperability and comparability of ESG approaches, as well as to strengthen the tools and methodologies that underpin disclosure, valuations, and scenario analysis in financial markets associated with a low-carbon transition. The Financial Stability Board is reviewing and developing principles or recommendations on regulatory and supervisory approaches related to climate risks at financial institutions. IADI has also opened discussions on this topic and how deposit insurers could strategically align practical actions that can be taken.

6.2.6 Climate Change

Climate-related events present potential risks to financial system stability and have attracted increased interest in recent times. These include transition risks such as carbon pricing or product regulations and or physical risks through changes in climate related events (e.g., storms) and may impact the value of financial assets. The impact of these risks on individual financial institutions could be significant if effective mitigating strategies and appropriate methodologies to price climate related impact on assets, are not implemented and enforced. Financial supervisors are integrating climate risk into prudential supervision while deposit insurers, depending on their mandates, are also considering relevant policy responses of varying scope. Deposit insurers may be impacted by climate change both directly through business continuity and operational risks and indirectly, through financial stability risk, asset management and economic effects.

Climate change has been placed high on the work programme agenda for several standard setting bodies. The BCBS has prioritized the assessment, measurement, and mitigation of climate-related financial risks, including regulatory, supervisory and disclosure-related elements. The FSB will review and develop principles or recommendations on regulatory and supervisory approaches related to climate risks at financial institutions. In 2021, the BIS organised the Green Swan conference where central banks discussed their role in tackling climate change and

¹³ Refer 'ESG Investing and Climate Transition – Market Practices, Issues and Policy Considerations', OECD, 2021.

highlighted the problem of data gaps on the actual exposure to climate risks. IADI has also begun hosting conferences and workshops to address climate related risks.

6.2.7 Cross-Border Issues

Cross-border issues have emerged as deposit insurers are increasingly facing challenges with depositor reimbursement and resolution activities across jurisdictions. Financial institutions have become highly interconnected by way of global financial flows and the borderless nature of financial services. Currently, cross-border arrangement between deposit insurers is low, however as the financial market evolves and the institutions become even more inter-connected, deposit insurers may need to pay keener attention to this trend. The IADI Core Principles and the FSB Key Attributes of Effective Resolution Regimes recommend that deposit insurers and other resolution authorities, wherever possible, should establish formal information sharing and coordination arrangements with foreign resolution authorities.

6.2.8 Resolution of Financial Institutions

A deposit insurer's mandate and established legislative and resolution frameworks will determine their role in resolution and crisis management. Notwithstanding, there has been emerging trend of deposit insurers' greater involvement in determining if a failing or likely to fail DTI should be placed into resolution, in designing and reviewing the resolution strategy for all or some of the banks, and in the financing of that resolution. Additionally, the use of deposit insurance funds for non-payout activities has been growing in relevance, however this is often constrained by safeguards in the form of financial caps such as a least cost principle. It is important to consider the IADI Core Principles for Effective Deposit Insurance Systems and ensure that whatever mandate is chosen that it be clearly defined, supported by sufficient powers and resources as well as adequacy of design features, and be well-coordinated with the other safety-net participants. The FSB continues to enhance its Key Attributes and is pursuing efforts to issue guidance regarding the resolution of non-G-SIBs including financial cooperatives and state-owned banks.

7.0 POLICY RESPONSES AND KEY INITIATIVES: BEING PROACTIVE IN ADAPTING TO THE CHANGING ENVIRONMENT

Guided by these developments, the Corporation will continue to pursue/ prioritize the following policy responses, strategies and selected key initiatives during the FY2023/24 - FY2026/27 planning period.



- I. Strengthen the Corporation's legal and operating framework for: monitoring its Member Institutions' performance and risk to the DIS; and carrying out its role in resolution and crisis management in accordance with its powers under the DIA and in collaboration with other members of the FSSN.
- II. Collaborate with BOJ, FSC and MoFPS to advance the following key financial sector reforms to:
 - a. Finalize the drafting of the FIRA to strengthen the resolution framework for financial institutions and to include an insolvency framework
 - b. Implement the legal and operating framework to bring credit unions under the supervisory ambit of the BOJ and membership in the DIS – CUSPA Bill.
 - c. Refine policy proposals for an appropriately designed compensation scheme for the non-DTIs sector
 - d. Review, test and maintain (i.e., simulations, role play, tabletop exercises) the JDIC's Financial Crisis Management Plan and the National Financial Crisis Preparedness and Management Plan
 - e. Improve information sharing and collaboration among JDIC and other FSSN agencies.
- III. Leverage technology in alignment with the Corporation's digital transformation roadmap to:
 - a. Enhance the Corporation's Member Institutions' monitoring and resolution business processes (development of Member Institution Business Intelligence Solution).
 - b. Improve the depositor reimbursement systems and ensure depositor expectations are met as best as practicable, as the Corporation seeks to achieve a seven-day payout or sooner, consistent with recommended best practice.
 - c. Increase operational efficiencies in other functional areas of the Corporation such as the automation of the investment portfolio management, HR management and records management functions.
 - d. Enhance digital interactions with Member Institutions, depositors, FSSN partners and employees.
- IV. Enhance the framework and structures to improve data protection, confidentiality, integrity, and security (cyber risks), including ensuring full compliance and implementation of the Data Protection Act.
- V. Monitor the developments in digital financial solutions products and services offered by DTIs and non-DTIs and emerging financial sector trends (domestically and globally) and ensure appropriate policy responses. A comprehensive review of Member Institutions' products and service offerings, scope of coverage of the JDIC's and other jurisdictions' DIS will be completed

in FY2022/23. Recommendations for changes in coverage rules and any consequential legislative amendments will be made.

- VI. Promote depositor and other stakeholder awareness regarding pass-through deposit insurance as provided for in the Deposit Insurance (Joint Trust and Nominee) Regulations specifically relating to payment services providers that are eligible for coverage. This includes collaboration with BOJ as it pursues initiatives to enhance the legal and regulatory framework for payment service providers (who are not DTIs), through its Fintech Regulatory Sandbox (launched in March 2020) and the proposed amendments to the Payments Clearing and Settlements Act.
- VII. Enhance public education initiatives to keep the public aware and informed about JDIC and deposit insurance as well as to instill confidence and trust in the JDIC. Initiatives will also focus on promoting financial consumer protection and financial literacy and will continue to be conducted in collaboration with the BOJ, FSC, MoFPS, Member Institutions and other key stakeholders. The JDIC also remains committed and involved in advancing the work on financial inclusion and financial literacy in partnership with the BOJ and other key stakeholders.
- VIII. Keep abreast of initiatives and collaborate with the BOJ through the FSSC in regard to analysing and incorporating climate related risk in the monitoring of DTIs' performance and financial system stability. An FSSC inter-agency technical working group was established in FY2022/23 to assess climate related financial risks in Jamaica and advance understanding and management of climate-related risks, promote financial institutions' understanding of these risks and enhance the management of long-term risks and opportunities.
- IX. Build staff capacity in core specialized areas such as deposit insurance, resolution, insolvency, and crisis management to further develop competencies to plan and execute the Corporation's mandate of protecting depositors and contributing to financial system stability. Strategies include developing and maintaining a pool of key subject matter experts to support core staff, facilitating knowledge transfer and building of synergies and timely engagements in crisis periods.

SWOT ANALYSIS

The Corporation conducts ongoing reviews of its Strengths, Weaknesses, Opportunities and Threats and the following is the analysis that guides this corporate planning period, FY2023/24 – 2026/27:

1. STRENGTHS

1.1 Governance – The Corporation has implemented an effective governance structure consistent with laws, GOJ guidelines and other best practices that govern 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 Entities*. 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 and transparency as well as periodic reviews to ensure the Corporation's continues to successfully execute on its strategic objectives to deliver on its mandate.

1.2 Enterprise Risk Management – The JDIC recognizes that an overall, unified enterprise risk management programme consistent with sound corporate governance and international best practices are required to ensure that all risks facing the JDIC are identified and appropriately managed and aligned with its strategic objectives, risk appetite, decision making and resources. Against this background, the Corporation has in place a robust Enterprise Risk Management (ERM) Policy and Framework that is embedded within the operating culture. The ERM Policy and Framework is owned and coordinated by the Executive Management Team (the ERM Committee), integrated into the managerial and formal reporting processes to the Audit Committee and Board of Directors. The ERM process is supported by a consulting firm that provides the services of an expert risk manager, and internally there is a risk liaison officer and risk champions and risk owners for the respective Sections and Branches. Evaluation of risks are conducted quarterly or more frequently as otherwise determined using a comprehensive, structured and consistent approach across all

Branches and Sections. ERM training and sensitisation sessions for all staff are critical to the process and are ongoing.

1.3 Human Resource Capabilities and Strategies – The team includes a cadre of specialized subject matter experts in the areas of deposit insurance, resolution and financial crisis management. 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, performance management and succession planning. The ongoing collaboration and technical input of staff in initiatives 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 and, the ongoing training and development of team members.

1.4 Resolution Powers – In order to fulfill its statutory object, the JDIC is assigned explicit roles, powers and functions under the DIA which are key elements of the existing statutory administrative framework for the restructuring /resolution of financial institutions. These include the power to act as receiver and liquidator of a Member Institution or of its holding company or subsidiary, which becomes insolvent¹⁴. This is a necessary power to support the sustainability of the DIS and financial system stability. In acting in such capacity, the Corporation may arrange for the restructuring of a Member Institution in collaboration with the BOJ and other FSSN partners and may also provide financing from the DIF to support the restructuring transaction subject to specific conditions. These restructuring/resolution options include: purchase and assumptions; mergers and acquisitions, bridge banks and open bank assistance transactions. The range of restructuring options provides for the resolution of distressed Member Institutions at a lesser cost than the Corporation would otherwise incur in a liquidation/pay out of insured depositors. The Corporation conducts on an ongoing basis, resolution, payout and crisis preparedness and management training and simulation exercises to develop its capacity to act as receiver and liquidator as well as other initiatives to enhance the resolution framework for financial institutions in line with the legal framework and international best practice standards. These initiatives include work being conducted in collaboration with the other FSSN partners such as the drafting of the FIRA and the

¹⁴ DIA Section 5(2)

comprehensive review and operationalizing of the National Financial Crisis Preparedness and Management Framework.

1.5 ICT Infrastructure – A robust and secure ICT infrastructure is in place that supports current and future business needs including business continuity plans. The ICT infrastructure is reviewed on an ongoing basis to ensure that the technology 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.

1.6 Deposit Insurance Coverage - The JDIC's scope of coverage and coverage limit for deposits are expressly stated in the DIA and the DIS Rules of Coverage Handbook and are applied equally to all its Policyholders. The Corporation employs various strategies to ensure that the scope and level of coverage remains relevant and provide protection to the vast majority of vulnerable depositors consistent with its public policy. In August 2020 the deposit insurance coverage limit was increased to \$1,200,000, up from \$600,000. At this limit, 96.8 per cent of deposit accounts in the system are fully covered.¹⁵ This level and scope of coverage underscores JDIC's public policy, as the majority of retail depositors are protected and is also in line with the IADI best practice recommendation of fully insuring 90-95 percent of deposit accounts. Additionally, the JDIC's scope/rules of coverage is reviewed on an ongoing basis to take into consideration product innovations by Member Institutions, changes in depositor and product profiles, emerging developments in the financial sector (domestic and global) and as well practices of DIOs in other jurisdictions.

1.7 Depositor Reimbursement Systems – The Corporation has been advancing initiatives geared towards strengthening its capacity to make prompt and accurate pay-outs to depositors including leveraging technology to modernize its depositor reimbursement systems. The Corporation maintains a Pay-out Management Information System (PMIS), that was implemented in FY2020/21. The PMIS facilitates the automation of the processes for the timely computation and disbursement of the insured deposits/potential liabilities of a non-viable Member Institution, generates other useful deposit liability data for resolution planning and reporting; and facilitates timely and accurate communication to depositors. Policies and procedures are also in place to allow for a range of payment disbursement options including

¹⁵ Against that background that: a substantial proportion of the value of deposits is protected, moral hazard is mitigated by strong regulation and supervision, as well as by the other design features of the deposit insurance system

cheque payments, insured deposit portfolio transfer, and as well electronic funds transfer that is currently being implemented. Other initiatives are also ongoing to enhance the PMIS and improve other elements of the Depositor Reimbursement Systems with focus on the developments in the Member Institution operating environment including FinTech. These initiatives are fully supported by/incorporated in the Corporation's digital transformation strategic plan and seek to ensure depositors are provided with prompt access to their funds within the current targeted timeline of 14 days.

2. WEAKNESSES

2.1 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 challenging 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. In November 2021 the Ministry confirmed its approval of the reclassification/organizational structure; however, the Corporation continues to be impacted and restricted by the delays and awaits the new compensation package that aligns with this reclassification. The MoFPS has confirmed implementation date of April 2022 of the Compensation Review Project of the Public Sector Transformation Programme of GOJ. These initiatives are intended to address the structural and normative impediments to staff engagement and retention however, will require an implementation timeline of no less than the medium term.

2.2 Staffing and Other Resources in a Financial Crisis – The Corporation's business model is to operate with a core staff complement of experts 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. The recruitment of additional technical support staff in times of crisis is likely to come with challenges. Therefore, in addition to its core staff, the Corporation continues to develop its pool of external and outsourced resources, including continued interface with its domestic, overseas and multilateral partners in the areas of financial crisis, deposit insurance and resolution management to have ready access to required technical support when the need arises.

2.3 Automated Policyholders' Risk Assessment System – The Corporation's Policyholders' Risk Assessment Framework (PRAF) supportive of its statutory roles as deposit insurer and liquidator in resolution management can be enhanced by an automated system that *inter alia*, better leverages data analytics tools. This will also strengthen the risk assessment capacity as the Corporation prepares for the increased membership of the DIS upon the admission of credit unions. Accordingly, the Corporation is taking steps to implement a business solution to automate the retrieval, storage, data analysis and reporting of Policyholder and other pertinent data relating to the risk assessment, monitoring and resolution functions. This initiative is included in the JDIC's Digital Transformation Plan for FY2023/24-2026/27. In the interim, the PRAF and supporting policies and procedures are being reviewed to improve the business process, incorporate and ensure the seamless admission of the credit union sector, and as well to inform the acquisition and implementation of the solution.

2.4 Financial Crisis Management and Resolution Preparedness – The Corporation has not been called upon to resolve a Policyholder since its establishment in 1998, consequent to the relative stability in the financial system and resilience of Member Institutions. Notwithstanding, economies are characterized by occasions of market volatilities precipitated by financial and non-financial risks that could potentially have adverse impact on Member Institutions and requiring intervention/resolution. The most recent events being the COVID-19 pandemic and the Russian war in the Ukraine. In the absence of any real-life pay out/resolution experience the Corporation places significant focus on building staff competencies and institutional memory. Simulations, other contingency planning exercises and specialized training in core areas are key ongoing initiatives that serve to test and enhance the pay out and resolution policies, procedures and systems, and develop staff skills. Integral to these initiatives is the ongoing collaborations with other members of the FSSN, other DIOs, corporate training institutions, the IADI and other international organizations.

2.5 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 Core Principle 10 which underscores the importance of a comprehensive and ongoing public education strategy for all Deposit Insurers.

Additionally, a public education and awareness plan has been developed in anticipation of the admission of credit unions to the DIS. To assess the effectiveness of its existing public education and awareness programme, the Corporation undertook a Public Education and Attitude Awareness Survey in FY2022/23. The preliminary results indicate that, "awareness of the JDIC increased to 74% in 2022 from 67% in 2017; while awareness levels of the DIS remained relatively stable at 46%. The Survey findings will be used to inform the Corporation's communication strategy for this four-year planning period with particular attention given to utilizing communication tools and channels deemed best fit to widen reach and engagement among all target groups.

2.6 Disaster Preparedness, Recovery and Business Continuity – The implications of the COVID-19 pandemic and the Russia-Ukraine war has highlighted the imperatives of disaster preparedness, recovery and business continuity. During FY2021/22, the Corporation continued the improvement of its Disaster Preparedness, Recovery and Business Continuity Plans (DPRBCP) which will be completed by the end of FY2022/23. The approach is bifurcated to ensure adequate granularity. The plan involves both the JDIC's ICT operating environment and its efficient operation of an external data centre to ensure seamless failover and continuity of business. The second aspect DPRBCP relate to of all other operating requisites. Updating of the DPRBCP will continue during the planning period and aspects of the plans simulated.

2.7 Electronic Records and Information Management System - The implementation of the manual Records and Information Management System (RIMS) recommended by GOJ and incorporating other best practice continues. The Corporation assesses that it will be more beneficial for its operations to have an electronic records management system for security and efficient retrieval of the records and is working towards implementation during the planning period.

3. OPPORTUNITIES

3.1 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.

3.2 Domestic Economic Environment – The Jamaican economy continues to record growth despite the challenges being experienced globally, emanating from the two (2) restrictions due to the COVID-19 Pandemic and the invasion of Ukraine by Russia and rising inflation levels. Notwithstanding the global economic uncertainties, Jamaica's economic indicators continues to move in the right direction for the most part. For the September quarter growth of 2.5 – 3.5 percent is anticipated for the September 2022 period, following expansions of 6.5 percent and 4.8 percent recorded in the March and June 2022 quarters, respectively. Unemployment has also improved with the unemployment rate of 6.6 percent as at July 2022, 1.9 percentage points lower than in July 2021, strong foreign exchange reserve, as at October. Annual point to point inflation at the end of October 2022 was 9.9 percent exceeding the upper limit of the BOJ target range (4.0 to 6.0 percent) for the fifteenth month. The BOJ in keeping with their mandate for price stability continue to increase their Policy Interest Rate over the last 12 months to moderate the rising inflation levels. As at October 2022 the NIR stood at a healthy level of US\$3,774.60¹⁶ 2 percent above the value held for corresponding period last year and is sufficiently adequate to respond to economic shocks, finance obligations and address near to medium-term eventualities. Movement in the exchange continues to be two ways and remains relatively stable. However, because of uncertainties in growth among our major trading partners, Jamaica's growth and progress may be stymied based on their overall performance in these economies. In terms of the outlook for Jamaica and fears of a global recession, the outlook is positive with tourism making pre-pandemic recovery, relative stability in the exchange rate and the lowering of the unemployment rate.

With the domestic economic environment remaining resilient supported by several government initiatives to stimulate growth and financial inclusion, the Corporation expects our Member Institutions to remain resilient; growth in the deposit portfolio and insurable deposits; and the Deposit Insurance Fund in a positive way. This stability in the financial system will provide the Corporation with the opportunity to enhance its public awareness initiatives, continue to build out of its resolution and crisis management capacity while maintaining the ongoing monitoring of the performance of its Policyholders, allow for proactive policy responses to the developments in the operating environment that impact the DIS, and finalizing plans for the admission of the credit union sector to the DIS.

¹⁶ The NIR at October 2022 is sufficient to support approximately 36 weeks of goods imports and 24 weeks of goods and services, both are above the international standard of 12 weeks.

3.3 Banking Regulation and Supervision – Jamaica continues to pursue several initiatives towards significantly reforming its financial sector under its economic reform programme. The FSSN partners' ongoing initiatives at the agency and multi-agency levels to strengthen 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 robust regulatory and supervisory framework and consequent resilience of the financial system supports the mandate of the Corporation and effectiveness of the DIS for protecting depositors and contributing to financial system confidence and stability. The current framework provides for strong prudential regulation and supervision that ensure Member Institution's weaknesses are promptly identified and corrected. Implementation of corrective measures is monitored and, where deficient, early intervention and effective resolution will help to lower the resolution and pay out costs to the DIF that are associated with Member Institutions failure.

3.4 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.

3.5 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 rapidly 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). The JDIC is also a member of the CARICOM working group which developed the regional “Policy on Deposit Insurance” that was finalized in CY2021, approved by COFAP and is to be submitted for member states for approval. This initiative also supports the draft CARICOM Financial Services Agreement, which *inter alia* encourages Member States to “adopt measures to ensure the protection of depositors’ funds in a financial institution within its territory¹⁷. The Corporation will continue to provide technical input in the next planned work stream of the Secretariat to draft a Deposit Insurance Model Law.

3.6 Policyholders’ Business Environment – In the context of the performance of the economy, the financial system up to end August 2022 remained generally stable. Financial institutions continued to be adequately capitalized, liquid, solvent and profitable. In addition, asset quality for the banking sector remained stable and well below the prudential benchmark. Risks associated with the financial system continues to moderate within manageable levels. Given the accelerated growth of financial technology and e-commerce, Member Institutions continue to encourage remote access to their services through the use of online transactions, card transactions such as ATMs and point of sale and the use of other electronic channels. This business strategy has in some instances led to the closure of physical branch operations and/or limited access to in branch services traditionally offered by Member Institutions. The measures implemented to stem the spread of the COVID-19 Pandemic, also continue to influence the increased use of financial technology by Member Institutions and depositors. The innovations in technology provides Member Institutions with an opportunity to better equip themselves with tools to make them more operationally efficient as well to provide a more effective customer experience. During CY2022 the BOJ commenced a phased roll out of its Central Bank Digital Currency (CBDC)¹⁸. Jamaica Digital Exchange (JAM-DEX) to the public. The public is able to access JAM-DEX through regulated DTIs and payment service providers. With the issuing of CBDC, more unbanked persons are expected to be reached, also making it easier for the Government to make payments to individuals such as pensioners and recipients of social programmes. The Corporation is also researching the business process for the use of CBDC as one of the ranges of deposit insurance disbursement options. The National Identification and

¹⁷ The development of a regional framework for Deposit Insurance was also included, as an important pillar to strengthen the financial stability framework in the Region, in the Community’s macro-economic policy coordination work programme, which was approved by the Fourteenth Meeting of the Council for Finance and Planning (COFAP) (July 2012) and subsequently endorsed by the Thirty-third Meeting of the Conference of Heads of Government (July 2012).

¹⁸ CBDC is a fiat currency/ similar to cash and therefore does not require protection by deposit insurance.

Registration Act, was passed in 2021 for subsequent implementation. The object of the Act is to provide for the promotion, establishment, and regulation of a National Identification System (NIDS) that will facilitate the voluntary enrolment of citizens in one comprehensive identification, verification and authentication system. Policyholders and the general public are expected to benefit from the implementation of NIDS as there will be, *inter alia*, a simplified process when opening bank accounts using the national identity verification and authentication system. This will also contribute to Policyholders enhancing their level of compliance with the DIA and the Policy of Deposit Insurance and specifically meeting the Corporation's information needs relating to customer and account data as outlined in the JDIC's Recordkeeping Guidelines for all Policyholders. Of note in June 2022, the Government signed a Memorandum of Understanding with the Jamaica Bankers Association/deposit-taking institutions to participate in the pilot of the National Identification System (NIDS). These developments provide the opportunity for reducing the number of unbanked, increasing financial inclusion, and as well collaboration with FSSN partners and other key stakeholders to expand the Corporation's public education initiatives. The JDIC will continue to monitor these developments in its Policyholder environment and conduct research to assess the impact on the design of the DIS, its mandate of protecting depositors, especially the most vulnerable with specific focus on the scope and level of coverage and ensure the necessary policy responses.

3.7 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 FRC and the FSSC, statutory committees 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 provide for the sharing of information and relationship with the BOJ in regard to Policyholders' soundness information and enforcement action notification/consultation. 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), the review and testing of the National Financial Crisis Preparedness and Management Plan, development of a Centralized Data Collection Management and Dissemination System and the buildout of a Framework to

identify, monitor and quantify Climate Risk to the Financial System and Jamaica. 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 also made recommendations for amendments to the BSA and the draft Bill, The Credit Unions (Special Provisions) Act. The draft Service Level Agreement previously shared with the BOJ which is contingent on the promulgation of the draft FIRA and the finalization of the amendments to the BSA will also be updated.

3.8 Technological Innovation – Technological innovation provides an opportunity to improve the Corporation's business processes and strengthen engagement with Policyholders and other stakeholders. Through a robust digital transformation process, the Corporation will improve its operational efficiency and provide increased value through the use of data to better understand customer and consumer needs. Against this background, the JDIC's ICT infrastructure is reviewed on an on-going basis to ensure that the technology remains relevant and effective in keeping with the advancements in the industry and meeting its business needs.

4. THREATS

4.1 Global and Regional Developments – Global developments including geopolitical tensions, supply-chain disruptions and high inflation in the world economies have impacted global growth forecasts. In light of these developments, there is a high level of uncertainty in growth prospects and recovery from the uncertainties globally, particularly Jamaica's main trading partners could potentially moderate the growth prospects for Jamaica and the financial performance of our Member Institutions.

In the Caribbean, the financial system 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. As such, the Corporation continues to monitor the developments in Caribbean counterparts for any potential impact on Jamaica's financial system or the economy, cognizant that our Policyholders continue to seek out other markets for expansion and growth.

4.2 Domestic Market Developments – The Jamaican economy has been recovering following periods of economic contraction with positive growth rates and decreasing levels of unemployment. Of note, the country has experienced a spike in inflation in 2022, as increases in international commodity prices particularly fuel and energy prices have escalated. As a result, the BOJ has consistently increased the policy interest rate in an attempt to moderate the rate of inflation within the BOJ's target range of 4.0 percent to 6.0 percent. This however, could result in the cost of funds for the DTIs and accessing credit, and potentially impacting their financial performance and the growth of the DIF. The Corporation continues to monitor the developments in the environment and the performance of the DTIs in this regard.

4.3 Policyholders' Business Environment – The Policyholder environment has been characterized by digital transformation as most financial institutions have accelerated their digitization strategy and are increasingly digitizing products and services in accordance with emerging technologies, to reduce their operational cost and increase their competitiveness. The increased use of technology brings with it cyber risks that may cause financial loss, impact the safety and soundness of individual Policyholders, increase default risk and threaten the stability of the financial system. There has been a general increased focus and awareness about risks to banks/financial institutions associated with information and communication technology by standard setting bodies and regulators, including vulnerability to cyber threats. This along with the recent passing of the Data Protection Act, should encourage Policyholders to take better account of the related operational risks and mitigating strategies by promoting and enhancing the implementation of robust policies, procedures and systems.

Additionally, although the increasing deliverable and offerings of FinTech products and access by consumers provide convenient access to many banking products and services, at the same time it poses the threat of blurring the lines between financial products and services offered by Policyholders /banks and non- banks. This can also make it difficult for the public/depositors to distinguish between products that are deposits and qualify for deposit insurance and products that are not. The BOJ has introduced the Fintech Regulatory Sandbox to provide a platform to encourage innovations in financial services, promote competition and financial inclusion while ensuring a robust regulatory framework. This provides a facility for participants to test innovative financial products, services and businesses in a live market environment, while ensuring safeguards are in place to manage and mitigate risks¹⁹ and allow for adequate deposit

¹⁹ http://www.BOJ.org.jm/uploads/news/bank_of_jamaica_fintech_regulatory_sandbox_guidelines__22_june_2020.pdf

insurance protection as appropriate and subject to the DIS rules of coverage. It is also noted that the rapid adoption of new technologies along with their effect in lowering barriers to entry in the financial services market may foster the emergence of new business models for Policyholders; increased reliance on critical third-party service providers, potential widening the FSSN to include critical service providers; and new FinTech entrants where these entities operations have potential implications for financial stability.

4.4 Policyholders' Compliance with JDIC's Information Needs – Policyholders may not maintain the requisite information required by the Corporation to execute its mandate. Data may not be accurate or may be missing or not sufficiently detailed. Additionally, the necessary procedures and systems to maintain data in the required structure and file format and as well to facilitate data transmission may not be implemented. These impediments may impact the Corporation's capacity to: make critical decisions for resolution and crisis management planning; and provide depositors with prompt and accurate access to their insured deposits. Initiatives that are currently ongoing such as the phased implementation of the *Policyholders' Record-keeping Guidelines* and the supporting Compliance Framework; enhancements to the Pay-out Management Information System (PMIS); legislative amendments to provide the JDIC with powers to access data prior to closure; consideration to promulgate Regulations to standardize Policyholders record-keeping requirements and Policyholder's compliance with the Data Protection Act will seek to reduce the impact of these threats.

4.5 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 ecosystem²⁰. Cyber security risk is one of the top risks facing financial institutions, corporates and individuals. This occurs because of the rapidly evolving sophisticated and complex technologies, cross border data exchanges and increased use of data technology. Cognizant of this, the use of technology and its implications are not limited to financial institutions, as regulators and deposit insurers must seek to adopt a wide range of data gathering and analytical tools in order to monitor the industry more effectively and to predict potential problems before they occur. The JDIC will continue its ongoing review of its own internal data management and cyber security response infrastructure to ensure security issues are proactively identified and addressed. As the JDIC commenced the implementation of its digital

²⁰ <https://www.pwc.com/gx/en/industries/financial-services/publications/financial-services-technology-2020-and-beyond-embracing-disruption.html>

transformation strategy, it will also leverage the GOJ National Cyber Security Strategy and mechanisms for addressing cyber security risks.

4.6 Climate Change Risk - Climate change continues to impact/poses a threat to all economies, and this is expected to worsen if Governments around the world fail to recognize and implement preemptive mitigating actions. Overtime if an effective Climate Risk Framework is not adopted over time, this will impact the business continuity capacity of entities, the viability of Member Institutions and all other financial institutions, financial stability, and overall economy. The FSSC recently established a Technical Working Group for Climate Risk.²¹ The FSSC TWG of which the JDIC is a member, will develop a Climate Risk Framework to better identify, monitor, manage and mitigate climate risks; identify data needs and develop a database and analytical tools; standardize regulatory reporting requirements; and ensure a consistent approach across the sectors. Other initiatives include upskilling of JDIC and other FSSN member staff, training of financial institution staff and conducting other stakeholder sensitization and training sessions. Additionally, the consolidated supervisory framework is to be updated to include climate risk. JDIC will also be reviewing and updating its policies and procedures to appropriately address climate risk, namely its PRAF; Investment Policy; and the compendium of documents regarding Resolution, Payout and Crisis Management. Additionally, the Corporation will include climate change risk in its governance procedures, in line with the existing financial corporate risk identification, controlling and reporting structures and best practice requirements. The Conference of the Parties 26 (COP26) meetings in 1992 highlighted the climate change risk and the need for collaboration. Finalization of the Corporation's Climate Risk Strategy/Framework will include and contingent on the findings, recommendations and standard of the FSSN Climate Risk Framework.

²¹ The Central Bank has received technical assistance from international partners for this initiative.

PLANNING ASSUMPTIONS

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

1. STATUTORY OBJECTS

The statutory objects of the Corporation will remain the management of 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 JDIC's role in resolution management including its existing powers to act as liquidator in the restructuring and winding up of insolvent financial institutions (DTIS, their holding companies and subsidiaries), will be enhanced with the passing of the Financial Institutions Resolution Act, (FIRA) that is currently being drafted. The FIRA seeks to strengthen the legal framework for resolving financial institutions and includes, *inter alia*, clarifying the roles in resolution. The BOJ is to be designated the Resolution Authority²² and the JDIC the Resolution Administrator consistent with its current powers under the DIA. Additionally, the existing membership and coverage under the DIS will be expanded to include the credit union sector.²³ 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 may be required to provide protection to other financial consumers.

2. OTHER 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 to enhance financial consumer protection. Accordingly, legislative review will continue in order to strengthen and

²² Under the BSA the Minister in Charge of Finance is the Resolution Authority.

²³ The number of Credit Unions as at September 2022 is twenty-five (25).

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, Credit Unions (Special Provisions) Bill, the draft Bill entitled the Financial Institutions Resolution Act (FIRA) and other legislative reforms that impact the operations of the Corporation.

3. ENHANCED 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 FSSN members have been pursuing several initiatives to improve the regulatory and supervisory framework for the financial sector consistent with the GOJ's 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 during the Corporate Planning Period.

4. DEPOSIT INSURANCE SCHEME DESIGN - ALIGNMENT WITH PUBLIC POLICY IMPERATIVES

The ongoing review of the key design features of the DIS to align with emerging public policy imperatives, recommended standards and guidance issued by standard setting bodies namely the IADI, the FSB and the BCBS will remain critical to keep a pace with the dynamic evolution in financial markets and digitization of financial services. Design features of the DIS include: the categories of membership; level and scope 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 where appropriate.

5. MACRO-ECONOMIC OUTLOOK AND IMPACT ON POLICYHOLDERS

Recovery continues in the Jamaican economy following the significant slowdown in 2020 and 2021. This macroeconomic improvement as well as expectations for continued improvement bode well for the Policyholders and financial system stability, in general. For the June 2022 quarter, GDP increased by 5.7 percent compared to the corresponding period in 2021. There has also been improvement in the labour market with the unemployment rate for April 2022 of 6.0 percent compared to 9.0 percent in April 2021. Inflation, however, has been increasing due to supply constraints locally and internationally that have been impacted by the Covid-19 pandemic and further exacerbated by

ongoing geopolitical tensions due to Russian war in the Ukraine. The BOJ has sought to contain the rise, by increasing its policy rate to try and moderate inflation within the BOJ target range of 4 and 6 percent. Notwithstanding the slow pace of recovery and significant global economic uncertainty, Jamaica is expected to continue to record improvements. Threats remain, however, from adverse weather conditions, slowdown in major industries such as mining and manufacturing as well as slower than expected recovery in the economies of Jamaica's main trading partners. It is expected that Policyholders will continue to perform satisfactorily and surpass all prudential benchmarks. The BOJ and JDIC also remain relentless in closely monitoring the institutions as well as conducting stress tests and risk assessment, for any early warning signs that there may be a threat to Policyholders' viability.

6. INCREASED MEMBERSHIP IN THE DIS

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 during the planning period. Presently there are twenty-five (25) credit unions, however this number could decrease. The Corporation reached an agreement in principle (2018) with the Jamaica Cooperative Credit Union League (JCCUL) for the acceptance of the specific design features for the sector, subject to the approval of the Minister of Finance. These design features include scope of coverage, coverage limit and the premium assessment rates which may be further re-examined during the planning period as the circumstances require.

7. RESOLUTION AND CRISIS PREPAREDNESS

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

8. DEPOSIT INSURANCE FUND MANAGEMENT AND ADEQUACY

The Fund management objectives as stated in the DIA and the Corporation's Investment Policy 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 approximately 10 percent over the planning period. This projection was based on the expectation that yields on the Corporation's investment portfolio would initially be higher than the current portfolio average over the review period; insurable deposits are estimated to grow by 13 percent annually, which translates to a similar growth in annual premium income; and there will be no call on the DIF/resolution expenses as MIs remain adequately capitalized and solvent. Additionally, the BOJ and the JDIC continue to be proactive, with intense and timely monitoring and assessing of the risks of the institutions. The Corporation's most recent DIF Adequacy Evaluation conducted in FY2022/23 revealed that the lower limit of the target DIF reserve ratio²⁴ (8 per cent) is forecasted to be attained in FY2027/28, which is four years earlier than was forecasted the previous year. This revised period for the attainment of the lower limit of the target DIF reserve ratio considered the decline in insured deposits and the faster than projected growth in the Fund over the past year. Consistent with international best practice, the Corporation will continue to pursue contingency funding options with the Bank of Jamaica and multi-lateral funding agencies, through the MoFPS. The Corporation will also execute other key proactive readiness strategies to ensure its capacity to deal with any resolution activities, should the need arise while minimizing the exposure of the Corporation.

9. COMPENSATION STRUCTURE APPROVAL TO BUILD SUSTAINABLE HUMAN RESOURCE CAPACITY

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

²⁴ The range for the target DIF reserve ratio is 8 to 10 per cent.

ENVIRONMENTAL MANAGEMENT

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.

EMS is beneficial to the Corporation, as it:

- a. Reduces environmental incidents
- b. Enables a more focussed, motivated and knowledgeable staff
- c. Promotes occupational health and safety
- d. Reduces waste
- e. Allows for lower expenses and
- f. 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 and Corporate Services Branch (FCSB) has been charged with the responsibility for coordinating environmental management activities and maintaining the established standards. To effectively monitor the system, FCSB will rely on the Administrative and Property Sections 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 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.

CLIMATE CHANGE

Central banks and other supervisory authorities are now considering climate change as a risk to financial stability. Climate Change will create a series of new risks, impact of severe weather conditions, supply shortages, increased prices, and technology changes. A warming planet creates a wide range of risks for businesses, from disrupted supply chains to rising insurance costs to labour challenges. Climate change and extreme weather events such as hurricanes, floods and fires, for example, have a direct impact on 70% of all economic sectors worldwide.

Climate-related events are already affecting more than 1 in 4 organizations worldwide, according to Deloitte Global's report. Public sector, consumer and life sciences/healthcare industries are the most worried about the business impacts of climate change, with over 80% of executives in these sectors expressing apprehension about the planet's future.

According to the survey, here are the top five ways that climate change is already impacting (or threatening to impact) companies across the globe:

1. **Operational impact:** Nearly 3 in 10 organizations are noticing the operational impacts of climate-related disasters, such as facilities damage and workforce disruption.
2. **Scarcity/cost of resources:** Resources like food, water and energy are at risk due to both environmental and human causes, with the energy and consumer industries reporting the greatest impacts.
3. **Regulatory/political uncertainty:** Rounding out the top three concerns, over a quarter of executives say they are wary about shifting regulatory and political environments. The banking and life sciences/healthcare industries overwhelmingly cited this as the issue impacting their sustainability efforts the most.
4. **Increased insurance costs or lack of insurance availability:** Executives are very aware of how climate-related events have, in some cases, led to dramatic increases in insurance costs.
5. **Reputational damage:** Environmental sustainability efforts are becoming core tenets of organizations' culture and brand identity."



CONCLUSION

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 will also continue to manage the risks and make the necessary operational changes and the policies and procedures will be reviewed periodically and enhanced measures put in place, where necessary. In addition, the Corporation will review the documentation and procedures relating to environmental management guidelines and for obtaining certification for the EMS.

ENTERPRISE RISK MANAGEMENT

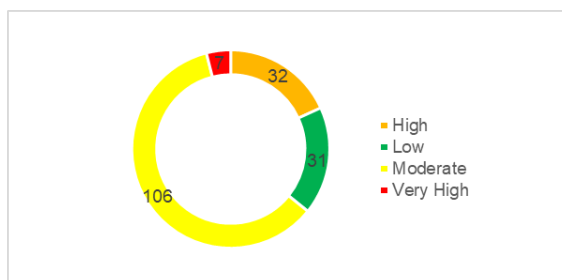
The JDIC maintains a robust enterprise risk management programme consistent with its established Enterprise Risk Management Policy and Framework²⁵, sound corporate governance and international best practices to ensure that all risks facing the JDIC are identified, managed and aligned with the strategic objectives, risk appetite, decision making and allocation of resources.

In addition to the quarterly assessment of risks and maintenance of Risk Registers by each Risk Owner (based on functional areas for each Branch and/or Section), the Corporation conducted its annual risk validation exercise facilitated by the Risk Manager in Q3 of FY2022/2023. The validation session helped to ensure that risks are identified and reflect the developments in the current legal and operating environment, ratings are fair and as well to identify and prioritize the key initiatives to be undertaken during the planning period to mitigate or manage risks. The validation session also confirmed that the Corporation's risk appetite remains as low for strategic, reputational, financial (market, liquidity, credit) and compliance risks and a low to moderate appetite for operational risks.

JDIC RISK PROFILE AND STRATEGIC RESPONSE

The Corporation's risk profile as at 30 September 2022 had a total of 176 risks identified across the ten functional areas of the Corporation. Seven risks were rated as Very High and 32 were rated as High. **Figure 1** and **Table D** below depicts graphical and tabular data of the JDIC's risk profile. **Table D** also shows an actual listing of the risks that were rated Very High and High as at 30 September 2022.

Figure 1: JDIC's Risk Profile as at 30 September 2022



²⁵ The Enterprise Risk Management Policy and Framework outlines the governance structure that is required to oversee the ERM process across the Corporation as well as the operational structure that is required to integrate ERM in the strategic planning process as well as daily operations. The Risk Governance and Operational Structure comprises the Board of Directors, Chief Executive Officer, Enterprise Risk Management Committee, Internal and External Auditors, Risk Manager, Risk Owners, and Risk Champions.

Summary of Risks Assessed by Branch/Section as at 30 September 2022

Table D: Risk Profile by Branch/Section

Ref	Branch/Section	Number of Risks Assessed	Current Residual Risks			
			Very High	High	Moderate	Low
1	Corporate Communications & Planning	14	0	3	9	2
2	Corporate Secretariat	11	0	4	2	5
3	Intervention, Resolutions, and International Relations (IRIR)	27	4	5	16	2
4	Finance and Investments	32	1	2	26	3
5	Human Resource and Administration (HRA)	22	0	5	11	6
6	Management Information Systems	11	1	5	5	0
7	Legal	7	0	2	2	3
8	Monitoring and Risk Assessment (MRA)	22	0	4	12	6
9	Procurement	9	0	1	7	1
10	Records and Information Management (RIM)	21	1	1	16	3
Totals at 30/09/2022		176	7	32	106	31

SUMMARY OF JDIC'S STRATEGIC RESPONSE

The Corporation's key business strategies, supporting initiatives, and operating and capital budget, have been developed to address the risks in alignment with the risk profile and include several strategic initiatives, some of which have already commenced. During the planning period the Corporation will continue to focus on strengthening its resolution and crisis management capacity and as well the supporting monitoring and risk assessment framework. Initiatives include building out the legal and operating framework for the JDIC to act as Liquidator and to operationalize the execution of decided resolution options to restructure a DTI, its holding company or subsidiary. Collaborations with the other members of the FSSN will be advanced to finalize the development of the special resolution regime for financial institutions that include the tabling of the Financial Institution Resolution Bill; and the review and testing of multi-agency National Financial Crisis, Management Framework.

"The infrastructure to safeguard and access information assets will also be improved to ensure, measures which are in place remain relevant and current to: mitigate against potential cyber security risk; ensure operational resilience in a disaster; and also to be fully compliant with the Data Protection Act. Underpinning these strategic responses is having the necessary processes, tools, systems, financial capacity and the right people to allow the JDIC to execute on its mandate in collaboration with its



FFSN partners, Member Institutions and other stakeholders. In this regard initiatives to ensure an adequate knowledge management organizational model where technical and expert staff is employed, trained and retained as JDIC's most important asset will continue to be prioritized. This includes augmenting the ICT staff resources to support the effective implementation of the Corporation's digital transformation strategy and implementation of the new GOJ compensation system to support the delivery of high quality services, reward performance, promote equity while rewarding employees competitively".

Detailed Listing of Very High Risks by Branch/Section

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Resolution Preparedness & Crisis Management	Manage the resolution process – JDIC's role acting as receiver and/or liquidator.	Ensure operational readiness to participate in the resolution of a non-viable financial institution; reimburse depositors; and manage a crisis in a timely manner and with the least exposure to the DIF and contribute to financial system stability	Legal and operating framework for conducting financial institutions/DTIs resolvability assessments, recovery and resolution planning may not be developed and adequately implemented by Supervisor of Banks/BOJ, JDIC and Policyholders.	5 - Significant	4 - Highly Likely	Very High	Low	The BOJ to implement the framework for resolvability assessments, recovery and resolution plans. JDIC staff to be trained/ develop competencies to provide inputs, review and /or draft/conduct resolvability assessments, recovery and resolution plans
Resolution Preparedness & Crisis Management	Develop and implement policies, procedures and systems.	Ensure operational readiness to participate in the resolution of a non-viable financial institution; reimburse depositors; and manage a crisis in a timely manner and with the least exposure to the DIF and contribute to financial system stability	The current outsourced ICT support staff may not fully support the IRIR initiatives relating to resolution activities that are ICT based.	5 - Significant	4 - Highly Likely	Very High	Moderate	(1) Outsourcing of SME's to address gaps in staffing resources particularly relating to the implementation of the Policyholder Recordkeeping Guidelines. (2) ICT Strategy to be developed to include resource needs assessment and implementation Plan.



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Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Manage resolution process - JDIC's role acting as Receiver and/or liquidator	Minimize exposure to the DIF	Legal framework may not be adequate to effectively wind up/ liquidate a financial institution and allow for JDIC to act as liquidator. Staff may not have requisite knowledge to execute the liquidator role of the JDIC.	4 - Very High	4 - Highly Likely	Very High	Moderate	(1) An SME (PWC) was engaged 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 in alignment with governing legislation. Draft documents have been signed off and will be used to inform submission to the MOFPS for the tabling of Winding up rules for FI. This is scheduled for Q1 FY2023/2024.
Resolution Preparedness & Crisis Management	Develop and implement policies, procedures and systems	Ensure operational readiness to participate in the resolution of a non-viable financial institution; reimburse depositors; and manage a crisis in a timely manner and with the least exposure to the DIF and contribute to financial system stability	Corporation may not be able to attract and retain staff with requisite experience and skill set as the compensation package is not competitive with market.	5 - Significant	3 - Likely	High	Moderate	Obtain approval and implement the Job Re-classification and Evaluation Exercise to adequately attract and retain staff with requisite experience and skill. Recruit and train staff and continue to develop existing staff competencies over the medium term.



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Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Resolution Preparedness & Crisis Management	Develop and implement policies, procedures and systems	Ensure operational readiness to participate in the resolution of a non-viable financial institution; reimburse depositors; and manage a crisis in a timely manner and with the least exposure to the DIF and contribute to financial system stability	FSSN partners may not participate in the development and testing of policies, procedures and systems relating to inter-agency resolution and crisis management activities.	5 - Significant	3 - Likely	High	Low	An FRC TWG has been established to update and operationalize the National Financial Crisis Preparedness and Management Plan (NFCMP, the Plan). Crisis Training and Simulation Exercise held in May, post Report prepared detailing action items to be addressed by all FFSN agencies to enhance operational readiness.



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Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Plan and execute resolution activities of a failed Policyholder – Payout and Non-Payout	Contribute to maintaining financial system stability; provide insured depositors with access to funds within 14 days and minimize exposure to the DIF	Depositor and other Policyholder data may not be accessible within stipulated timeline and format and may not be current and/or accurate	5 - Significant	3 - Likely	High	Moderate	(1) Amendments to the DIA and BSA - to provide JDIC with the power to access Policyholders' data prior to a closure. (2) Full Implementation of JDIC's Record Keeping Compliance Framework (3) Record keeping requirements to be promulgated as regulations to include ongoing testing of Policyholders' level of compliance.
Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Plan and execute resolution - Payout and Non-Payout: procuring additional resources required for resolution activities	Contribute to maintaining financial system stability; provide insured depositors with access to funds within 14 days and minimize exposure to The DIF	JDIC may not be informed of the non-viability of a DTI in a timely manner that provides for sufficient time to recruit and train additional staff and procure additional resources with requisite expertise to carry out resolution and payout management activities in a crisis	5 - Significant	3 - Likely	High	Moderate	(1) Development of MOU/ SLA with BOJ to enhance information sharing and collaboration in crises. (2) Ensure pool of SMEs and other service providers are maintained current. (3) Establish MOU/ agreements where possible with SMEs. (4) Legislative amendment to exempt JDIC from procurement procedures when

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
								executing transactions relating to resolution.
Crisis Period Only: Resolution Planning & Execution (in collaboration with other FSSN)	Plan and execute resolution - Payout: Reimburse depositors of a non-viable	Contribute to maintaining financial system stability; provide insured depositors with access to funds within 14 days and minimize exposure to The DIF	JDIC may not be able to make large volume of depositor payments by way of Cheques, IDPTs etc.	5 - Significant	3- Likely	High	Moderate	The Policyholders' Training programme is ongoing. An online training platform is also to be developed to complement the existing face to face interaction.
Corporate Communications	Policyholder Training	Training of Policyholders' staff to facilitate correct dissemination of DIS information to their customers.	Member institutions may not be providing correct DI information to depositors.	4 - Very High	3- Likely	High	Low	The Policyholders' Training programme is ongoing. An online training platform is also to be developed to complement the existing face to face interaction.

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Corporate Communications	Crisis Communication	To ensure effective communication among all stakeholders during a financial crisis.	There may be a trust deficit amongst stakeholders.	5 - Significant	3-Likely	High	Low	(a) Conduct crisis communication simulations. (b). Revise crisis communication plan to address gaps identified during simulation activities and enhance public education and awareness campaign as may be required to fill information gaps and build trust amongst stakeholders.
Corporate Communications	Crisis Communication	To ensure effective communication among all stakeholders during a financial crisis.	There may delays in the dissemination of critical deposit insurance information to depositors and the general public.	5 - Significant	3 - Likely	High	Moderate	(a). Explore engagement of a call centre to be activated when there is a crisis. (b). Develop Darksite to be made available during a crisis (contains information on crisis) (c). Conduct crisis communication training and crisis simulation. Continue to bolster public education and awareness programme.

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Monitoring and Risk Assessment	Member Institutions' Risk Reviews	Timely detection and reporting on adverse trends and early warning signals including maintaining a watch list	Monitoring of risk behaviour or trends of Policyholders may not be an accurate reflection of the Policyholders current state	4 – Very High	3 - Likely	High	Low	At the end of the scheduled 6 weeks following the end of the quarter (agreed timeline to receive data), MRA will follow up with the BOJ immediately once data is not received. Mitigate by building a stronger relationship.
Monitoring and Risk Assessment	Fund Adequacy	The Fund is adequate to meet liquidity needs including capital and operating expenditure	Market conditions may be unfavourable to realizations of securities in crisis periods	5 - Significant	3 - Likely	High	Low	(1) Reassess the annual liquidity requirement based on Fund Adequacy review against: (a) current developments in the market and wider economy, and (b) Policyholders' and connected companies' performance and advise the COM and FFAM in a timely manner. (2) Finalize MOU with the BOJ to access contingency funding if needed.



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Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Monitoring and Risk Assessment	Deposit Survey: Analysis of deposits	Analyse the deposits of Potential Member Institutions (Credit Unions)	Institutions may not submit requested deposit data	5 - Significant	3 - Likely	High	Low	(1) Have semi-annual meetings with the JCCUL to continue to further strengthen collaboration (2) Continue to dispatch Survey request letter to the JCCUL for members to provide deposit data
Monitoring and Risk Assessment	Development Report: Monitoring of Policyholders	The key performance indicators of Policyholders are reviewed and implications are identified early.	Current BOJ specific data may not be shared in a timely manner.	5 - Significant	3 - Likely	High	Low	(1) Implement and share JDIC schedule with BOJ for expected receipt of specific data. (2) Continue collaboration with BOJ to ensure specific data are received in a timely manner. (3) Implement an appropriate business intelligence software that can interact with BOJ's JAM-FIRMS platform to access Policyholder data in a more timely manner.



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Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Procurement	Procurement Planning	Acquisition of goods and services	Inability to acquire good/services in the required timeline as the procurement was not planned for which may impede another procurement activity	4 – Very High	3 - Likely	High	Low	Checklist to be developed to capture requesters responses as to considerations given to project implementation needs. Said checklist will have to be signed and submitted along with requisition form.
Records and Information Management	Training	To ensure training is provided to owner/custodians	Records owners and custodians may not have Records Management skill set	4 – Very High	3 - Likely	Very High	Low	1. Continue quarterly training program for all records owners and custodians as soon as the RIM Policies and Procedures manual is approved by COM. 2. Engage alternate training from JARD or MIND in the interim.



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Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Records and Information Management	Records Maintenance	To ensure records are returned when borrowed	Records may not be returned on a timely manner	5 - Significant	3 - Likely	High	Low	Records Custodian should use the File Charge Out Log to keep track of the files borrowed. 2. Update the JDIC Policies and Procedures Manual to include timeline for the return of borrowed file. 3. RIO will do quarterly spot checks to examine charge out logs in records custodian custody are completed and file returned as stipulated by the RIM Policies and Procedures Manual.
Corporate Secretariat	Policy Review and Approval	Oversight and operational efficiency	Failure and/or delay of Management in reviewing and approving policies within the time stipulated.	3 - high	4 - Highly Likely	High	Low	The Corporate Secretariat Section will annually review the policies under its ambit. While HODs will be encouraged to ensure that their respective policies are reviewed in accordance with the stipulated time period indicated within the policies.
Corporate Secretariat	Board Education	To organize Board training for Board members as a means of ensuring members are knowledgeable and well-informed in order to make appropriate decisions and provide sound governance.	Unavailability of Board members to participate in Board training.	5 - Significant	3 - Likely	High	Low	A Board Training Plan will be developed based on the results of the Board Evaluation Report and tabled at the Board of Directors' Meeting for approval. The Board Calendar will also include the scheduled Board Training dates. Additionally, virtual

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
								training will be facilitated to encourage the full participation of Board members. The sessions will also be recorded and sent to members who were unable to attend.
Corporate Secretariat	Internal Audit Liaison	Identification and Management of Risks	There may be a delay in responding to audit findings because of current resource issues within the Corporation.	5 - Significant	3 - Likely	High	Low	The Corporate Secretariat Section will remind the various HODs of Branches/Sections of the Action Items emanating from the Audit Committee Meetings.
Corporate Secretariat	Internal Audit Liaison	Identification and Management of Risks	There may be delayed responses from management to queries posited by the Internal Auditors.	4 - Very High	3 - Likely	High	Low	The Corporate Secretary will schedule meetings with the Committee of Management to finalize responses to internal audit queries to submit responses within a timely manner.
Legal	Contract Drafting and Execution	To engage the requisite services or goods for the Corporation to fulfill its objectives and mandate, while protecting the legal interests of the Corporation.	There may be untimely finalization and execution of Contracts.	5 - Significant	3 - Likely	High	Low	Periodic reminders of the expiration of Contracts will be sent to the relevant Contract Owners.



DRAFT CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2023/2024 - FY2026/2027

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Legal	Crisis Management (legal support)	To ensure the operation of the appropriate legal function during times of resolution or payout.	The Corporation may be legally exposed because incorrect procedures are followed during a crisis.	5 - Significant	3 - Likely	High	Low	The Corporation has engaged SMEs to develop rules for the JDIC to exercise its powers as liquidator and receiver in crisis periods. It is expected that the SME will also assist in the preparation of a bundle of legal documentation needed to execute such powers, under a separate contract.
Finance and Investment	Manage Investment Activities- Sale of Securities	Sale of securities during a crisis to increase liquidity.	Securities may be sold at unfavorable prices during crisis periods consequent to market conditions.	5 - Significant	5 – Very Likely	Very High	Low	1. Enhance liquidity management to include adequate contingency funding arrangements that negates the need to sell the security: 2. Finalize contingency funding arrangements with the BoJ and GOJ 3. Enter into contingency funding arrangements with multi-lateral lending agencies.
Finance and Investment	Manage Investment Activities - Investment Placement	To improve management of Cash Flow/Investment transactions, Maturities & Interest Payments / activities	Funds may not be credited to our bank accounts on their due date of receipts	4 - Very High	3 - Likely	High	Low	Seek communication with brokers/dealers prior to settlement date of our projected inflows and obtain explanation from broker/dealer regarding any delays with same.



DRAFT CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2023/2024 - FY2026/2027

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
FCS: Accounting	Monthly Management Accounts	Accounts may not be prepared on time or prepared incorrectly.	Staffing Limitations	4 - Very High	3 - Likely	High	Low	Continue to provide ongoing cross training and obtain additional staff as approved by the Staff Establishment to provide the necessary review of information and improve the accuracy and timeliness of reports.
Management Information Systems	Procurement of MIS Assets	To ensure MIS initiatives are implemented as planned and ICT systems failure is remedied promptly	Since the COVID -19 Pandemic the length in time for JDIC to receive ICT assets from vendors have increased. This delay can impact the timelines of initiatives and projects.	5 -Significant	4 – Highly Likely	Very High	Low	Since the Covid-19 Pandemic, the MIS Section has been working alongside the Procurement Officer to get the necessary quotations and other related documents in the fastest time possible. This is to reduce the duration of the procurement process. Vendors will then be engaged for the requisite ICT asset in a timely manner. The MIS Section continues to improve its inventory management procedures to ensure adequate resources are available as may be required.
Management Information Systems	Secure IT Systems	Ensure transmission of Critical Data going to and from the Corporation is securely passed on and not put into the wrong hands.	Staff may not be aware of and/or comply with MIS Security Policies and Procedures. As such, important files	5 -Significant	3 - Likely	High	Low	1. The Information Security Policies and Procedures and Cyber Security Policy will be updated and staff trained. An SME has been engaged

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
			belonging to the Corporation and stakeholders may be endangered by the latest malware and will possibly be lost forever, and confidentiality breached.					and has begun collaborating with the JDIC in order to update the Information Security Policies and Procedures. JDIC's feedback on the 3rd draft of the Policy was returned to the Consultant during the quarter for further revision and updating of the Policy.
Management Information Systems	Anti-Malware/Virus protection	Installation of anti-malware /virus protection, which are software program designed to prevent, detect and remove malicious software (malware) on IT systems, as well as individual computing devices. This protects the Corporation's operations and mitigate against downtime.	Important files on computers/servers belonging to the Corporation/stakeholders may be damaged by various new malware and viruses especially now since we are transitioning to a new digital age.	5 - Significant	3 - Likely	High	Low	Make users aware of the risks and educate them on the latest viruses and ways to mitigate them. Training/sensitization is to be included in the MIS Training Plan to be developed and implemented as a means of increasing staff awareness of the potential threats and ways to avoid/minimize exposures. In the interim, weekly sensitization advisories will be shared with staff.
Management Information Systems	Management of the MIS outsourced services for the management of the JDIC MIS Section	To manage the MIS staff and the functions of the JDIC and to ensure continuous and effective MIS services		5 - Significant	3 - Likely	High	Low	Review the MIS Section staffing requirements.

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Human Resource and Administration	Building Sustainable Human Resource Capacity	To ensure an adequate knowledge management organizational model where competent technical human capital is employed and retained as JDIC's most important asset.	Monetary and non-monetary benefits may lead to challenges in the available professional pool of technically competent persons.	5 - Significant	3 - Likely	High	Low	1. Obtain approval and quickly implement organizational review, job evaluation and reclassification recommendation to better align functions with the expertise required. Implement commensurate and competitive rewards and recognition policies. 2 This target has not been achieved as at this update July 13, Sept 30, 2021. Engagement issues remain and retention rate increasing. Board of Directors has written to Minister outlining urgency of matter for JDIC and requesting a meeting to discuss options to alleviate engagement and retention issues.



DRAFT CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2023/2024 - FY2026/2027

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Human Resource and Administration	Salaries and Benefits	To ensure staff are adequately rewarded and motivated.	Salaries approved by the MOFPS may not always be competitive and contemplate the circumstances specific to the JDIC	5 - Significant	3 - Likely	High	Low	The Board of Directors were engaged to advance the approval of the Job Re-Classification and Evaluation recommendation. The Board of Directors is in dialogue with MoFPS to review and obtain approval of unique JDIC circumstances.
Human Resource and Administration	Staff Welfare	To minimize staff turnover while improving retention rate	There may be high staff turnover due to inadequate staff welfare programmes	4 – Very Likely	3 - Likely	High	Low	Improve staff welfare programme to include staff pension plan

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Human Resource and Administration	Staff Welfare	To assist employees to improve physical and mental health.	1) Employees may experience negative physical and mental health heightened stress levels and depression during normal times. 2) Employees may experience heightened stress levels and depression anxiety, fear and weight loss/gain due to the impact of COVID -19 pandemic. securities in crisis periods	4 – Very Likely	3 - Likely	High	Low	Establish new ways of working including regular communication; Identify gaps/pressure points & allocate resources/reprioritise as appropriate to mitigate the impact on physical health and combat weight gain; streamline access to counselling through EAP 1) Establish new ways of working with restrictions as a result of the Covid-19 pandemic. 2) Identify gaps/pressure points and allocate resources or re-prioritize as appropriate to mitigate the impact on physical and mental health combat the impact of COVID-19 on weight loss/gain. 3) Allow access to counselling through JDIC's Employee Assistance Programme in response to stress, anxiety or depression. Risk Control Implemented.



DRAFT CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2023/2024 - FY2026/2027

Branch/Section/Team being assessed	Process	Process Objectives	Potential Risks/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
Human Resource and Administration	HR Policies and Procedures	Ensure that adequate policies and procedures are in place	Employees may not be properly equipped with the necessary skills/knowledge to review and update the policies as required	4 – Very Likely	3 - Likely	High	Low	Avail training and development opportunities to staff. A consultant will be engaged to review and update the Human Resource Policies and Procedures Manual

BUSINESS STRATEGIES

The Corporation's business strategies for the 4-year planning period are: **Leveraging Information and Communication Technology for Operational Efficiency, Information Security and New Value Creation for Customers and Stakeholders; Proactive Readiness and Resolution Management; Strong Partnerships; Building Sustainable Human Resource Capacity; and Public Education and Awareness.** 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, all of which determines the Corporation's strategic focus for the period. The review indicated that the business strategies pursued during the last planning period remained valid and therefore will continue to be pursued during FY2023/24 – 2026/27. These business strategies support the Corporation's principal objects, Mission and Vision and are themselves supported by the Core Values.

The business strategies are effected through the key initiatives for the planning period (*as detailed in the Operational Plans - Appendices 5-9*), such that the Corporation achieves its mandate. The following are some of the imperatives advising the key initiatives to support the business strategies:

- The public policy objectives as determined by the Corporation's statutory objects and emerging 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;
- Member Institutions (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 implementation of a digital transformation plan, data protection and records management system, disaster recovery and business continuity for operational efficiency.

The current operating environment, domestic and international, including the lingering impact of the pandemic, the ongoing Russian-Ukraine war, and the resulting global recession, dictates that the JDIC and other members of the FSSN continue to build out their crisis preparedness and resolution management 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.

BUSINESS STRATEGIES AND SUPPORTING INITIATIVES

1. LEVERAGING INFORMATION AND COMMUNICATION TECHNOLOGY FOR OPERATIONAL EFFICIENCY AND VALUE CREATION

As digitization, the enabling and improving of processes by leveraging digital technologies and digitized data, continues its global dominance, organizations are compelled to embrace the use of technology or be left on the periphery. Given the Corporation's thrust for strengthening operational efficiency in a context of the increasing use of information technology for the provision of services to its customers and other key stakeholders, and for data management and protection, *Leveraging Information and Communication Technology for Operational Efficiency* continues to take primacy. Such is the significance of this business strategy that the Corporation

during FY2022/23 embarked on a Digital Transformation Plan, to be implemented commencing in Year 1 of the planning period into the medium and longer term. The Corporation's unique mandate for depositor protection and financial system stability requires that it securely hinges its operational efficiency and cost management processes through leveraging information and communication technology to the greatest extent possible through this process of digital transformation. This focus will allow the Corporation to effectively achieve its objectives in collaboration with its Member Institutions, FSSN partners and other key 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 also digitize. 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 accelerated pace and 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 Member Institutions business environment and its own operations.

In 2016 Cabinet approved the ICT Governance Framework for Public Bodies, which involves the development of the ICT Transformation Process for the Government. The Corporation will assess this new ICT Governance Framework and develop its Digital Transformation Plan to support the overall strategic plan, by aligning the organisation objectives, digital possibilities and enablers, to maximise customer and stakeholder value.

Key Initiatives supporting this strategy include: Implementation of the Digital Transformation Plan that will include technology solutions to improve the Corporation's business processes and operational efficiency in the following areas: Member Institutions monitoring and risk assessment and resolution and pay out management; investment and treasury management, and optimizing office administration through improvement in the HR processes and records and information management, including data protection and procurement systems. During the planning period the Corporation will engage a CIO and business analyst(s), who will have the responsibility to appropriately assess, determine and articulate the business needs and solutions.

2. PROACTIVE READINESS AND RESOLUTION MANAGEMENT

In keeping with the DIA, the Corporation is required to act as trustee/liquidator for any Policyholder, or its holding company or subsidiary; arrange for restructuring of a non-viable Policyholder; provide financial assistance to effect decided resolution options; and reimburse insured depositors. As such the Corporation has a critical role in protecting depositors and contributing to financial system 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. Therefore, the Corporation continuously addresses its capacity to monitor Policyholder risk, effectively resolve a Policyholder and/or promptly provide depositors with access to their insured deposits in the event that a Policyholder becomes non-viable. Importantly also, the Corporation continues to work closely with FSSN partners; sharing information and through the FRC participates in multi-agency financial crisis preparedness and management training and simulation exercises as part of its readiness strategy.

The *FSB Key Attributes* set out the core elements necessary for an effective resolution regime and implementation to 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: Collaboration with the FSSN partners to finalize the work to enhance the resolution framework through the promulgation of the FIRA which includes provisions for a special insolvency regime for financial institutions and for the JDIC's appointment as resolution administrator; promulgating regulations for the Corporation to act as liquidator 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. Additionally,

there is the 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 financial stability as the ultimate objective, building and maintaining 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 collaboration with the CARICOM Secretariat to develop a Deposit Insurance Model Law for member countries.

4. BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY

Integral to achieving the Corporation's overarching objectives for depositor confidence, and financial system stability, is operating a knowledge and talent management organizational model, where technical expertise of the human capital is ranked as 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. 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 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. Therefore, to address some of these issues, 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 implementation and in October 2021 the MoFPS confirmed its approval of the organizational structure. The commensurate compensation package is anticipated for implementation, as per the Government's timetable for its Public Sector Transformation and Modernisation (PSTM) Programme.

Of note the JDIC Staff Pension Scheme was established on April 1, 2022.

Key initiatives supporting this strategy include: Strengthening of the human resource policies, guidelines and procedures framework, including review of its performance management system; continued staff training and development in core functional areas to build expertise, including succession planning; implementation of a human resource management information system and workforce wellness programme. In support of the human resource capacity strategy the Corporation will also seek to purchase more appropriate office accommodation during the planning period.

5. PUBLIC EDUCATION AND AWARENESS

Since establishment public education and awareness has been determined to be a key business strategy for the Corporation. The IADI has also identified public awareness as one of the *Core Principles for Effective Deposit Insurance Systems*, where 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. Public education continues to be a key pre-emptive strategy of the Corporation for maintaining depositor confidence and financial system stability.

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.

An overhauling of the public education programme which commenced in FY2021/22 continues. This is in an effort to increase awareness levels which the most recent survey conducted in FY2022/23 indicated that awareness of deposit insurance was at 46 percent and awareness of the JDIC was at 74 percent.

Key initiatives supporting this strategy include: Increased advertising using both traditional and new media to heighten public awareness; development of an online training platform for Member Institutions; continued collaboration with FSSN partners and other key stakeholders through joint public fora and participation in the NFIS Consumer Protection and Financial Capability working group to formulate appropriate initiatives to reach various publics; engaging students at the primary, secondary and tertiary levels through the Corporation's schools' programme, including publication of an animated version of the financial education book developed for primary schools (hard copy to be initially published in FY2022/23). As the Corporation recognizes 25 years of operations in August 2023, other public education initiatives will be executed to mark this significant milestone.



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

FY2023/24 – FY2026/27 (TABLE 1)

AND

CORPORATE SCORECARD FY2023/24 (TABLE 2)



TABLE 1

CORPORATE PLAN FY2023/24-FY2026/27

BUSINESS STRATEGIES AND KEY INITIATIVES

TABLE 1								
CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1. Proactive Readiness and Resolution Management								
1.1 Finalize the Phased Implementation of Standard Recordkeeping Guidelines and Compliance Framework for Policyholders	IRIR, LCSB	ICT, Member Institutions, Jamaica Bankers Association, JCCUL/Credit Unions, BOJ		Q1-Q4				<ul style="list-style-type: none"> Conduct pilot exercises with selected Member Institutions to test data transmission activities as outlined in the Compliance Framework (timelines to be agreed with Member Institutions and will thereafter become a part of the Section's routine/ ongoing activities). Deliver sensitization sessions to all Member Institutions. Make final revisions to the Record-keeping Guidelines and Compliance Framework to incorporate feedback from sensitization sessions and pilot (To incorporate frequency of compliance testing and required exemptions for Policyholders based on their size and implication i.e. principle of proportionality). Submit the revised Record-keeping Guidelines and Compliance Framework to Member Institutions for implementation. Share the revised Record-keeping Guidelines with JCCUL/Credit Unions.
					Q1-Q4			<ul style="list-style-type: none"> Agree schedule and commence routine Compliance testing with all Policyholders. Discuss the feasibility of incorporating compliance assessments within the scope of the BOJ's supervisory onsite examinations or to be assessed by the Policyholders' auditors to augment the Compliance Framework. Deliver sensitization sessions on the Record-keeping Guidelines and Compliance Framework to Credit Unions (contingent on the passing of the CUSPA).

TABLE 1								
CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.1 Finalize the Phased Implementation of Standard Recordkeeping Guidelines and Compliance Framework for Policyholders (Cont'd)	IRIR, LCSB	ICT, Member Institutions, Jamaica Bankers Association, JCCUL/Credit Unions				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Develop schedule and conduct the pilot exercises with selected credit unions to test data transmission activities as outlined in the Compliance Framework. Issue consultation paper to promulgate Regulations for Policyholders' Record-keeping 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	IRIR	CPCB, ICT, LCSB, Policyholders, FSC, Professional Intermediaries and as applicable professional bodies		Q1-Q4				<ul style="list-style-type: none"> Draft guidelines for professional intermediaries acting as trustees and nominees to comply with their obligations for disclosure and recordkeeping requirements pursuant to the Regulations (include simple and clear specifications for data format) and issue for implementation. Deliver sensitization sessions for targeted stakeholders to increase awareness about the disclosure and record keeping obligations regarding trust and nominee accounts.
					Q2-Q4			<ul style="list-style-type: none"> Conduct research on feasibility of implementing an appropriate compliance framework to keep professional intermediaries informed about their record-keeping obligations under the DIA Regulations. Make proposals to ensure the legal and operating framework is adequate to support the decided implementation strategy.

TABLE 1								
CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.3 Test Contingency Planning and Crisis Preparedness and Management Framework and Systems	IRIR	All Sections and Branches		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Conduct two simulation and training exercises annually (agency and/or inter-agency) with focus on crisis management, resolution and depositor reimbursement/payout. Prepare simulation report. Develop and implement action plans to address gaps identified during the simulation.
1.3.1 Collaborate with BOJ, FSC and MoFPS to Review and Operationalize the National Financial Crisis Preparedness and Management Plan	IRIR	All Sections, BOJ, FSC and MoFPS		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Participate in FRC led activities to review and/or draft compendium of policies and procedural documents that support the Plan (include the development of Crisis Management Playbooks). Participate in activities to plan and execute a multi-agency simulation. (Subject to the FRC schedule estimated for - Q3 – Q4). Participate in the multi- agency simulation (Subject to the FRC schedule estimated for Q3 – Q4). Develop action plan to address gaps identified during the simulation specific to JDIC's mandate. Provide technical input based on FRC Inter agency action plans and schedules to address gaps identified during the simulation.

TABLE 1								
CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.4 Strengthen The Resolution Management Framework and Resolution Readiness								
1.4.1 Make Proposals for Legislative Amendments and the Drafting of Rules to Ensure the Corporation has the Necessary Powers to Act and Operationalise its Role in Resolution.	IRIR, LCSB	MRA, CCS, BOJ, FSC, MoFPS, SME, MIs		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Strengthen the legal framework that underpins JDIC's role in resolution - Review existing legislation, identify gaps and make recommendations to COM for policy proposals and/or prepare inputs for drafting instructions based on JDIC's legislative review work plan. Draft submission to the MoFPS for legislative amendments and /or drafting of legislation and/or regulations/ rules. Follow through on the legislative process. Conduct consultations with stakeholders as necessary. Operationalize the Regulations.
1.4.2 Continue to Develop Internal Resolution Policies, Processes and Pre-Drafted Legal Documents, Notices and Other Material to Maintain the "Resolution Toolkit"	IRIR, LCSB	MRA, CPCB, BOJ, FSC, MoFPS, SME, MIs		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Draft resolution policies, procedures, and other documents based on work plan (Other documents include generic templates and pre-drafted legal documents, forms, standard reports, notices and letters). Submit policies, procedures and other documentation for requisite internal reviews and approvals (Legal Section, COM, Board) and stakeholder consultations if required. Finalize policies, procedures and other documentation for implementation.

TABLE 1								
CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.4.3 Provide Technical Input in Collaboration with the MoFPS, BOJ and the FSC to Table and Implement the Financial Institution Resolution Act (FIRA)	IRIR, LCSB	MRA, BOJ, FSC, MoFPS		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Conduct research, provide technical input and participate in other FRC inter-agency activities during the policy proposal, consultative, drafting and enactment stages of the FIRA including making proposals for 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. Develop implementation plan to execute JDIC's role and functions pursuant to the FIRA. Conduct the activities to implement JDIC's role and functions pursuant to the FIRA.

TABLE 1								
CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.4.4 Develop Guidelines on the Relationship Between the JDIC in its Role as Liquidator and Resolution Administrator and the Bank of Jamaica as the Resolution Authority Under the FIRA	IRIR, LCSB	MRA, BOJ, FSC, MoFPS		Q1-Q4				<ul style="list-style-type: none"> Continue research and finalize the development of the JDIC's internal organizational structures for trustee/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 JDIC's roles as trustee/liquidator (as per section 5 (2)(c) and resolution administrator (FIRA). 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.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

1.5 Assess JDIC'S Compliance with IADI Core Principles for Effective Insurance Systems (To be conducted after the IADI has published the updated Core Principles)	IRIR	All Branches, Policyholders, FSSN Partners and IADI			Q3-Q4			<ul style="list-style-type: none"> Conduct internal self-assessment activities against updated Core Principles and the CARICOM Deposit Insurance Policy. Present to the COM, report on the results of the internal self-assessment activities against updated Core Principles and the CARICOM Deposit Insurance Policy.
						Q1-Q4		<ul style="list-style-type: none"> Present internal Report on IADI updated Core Principle self-assessment findings and recommendations to the Board. Implement action plan to address gaps. Plan, schedule and scope the IADI SATAP with all stakeholders and IADI consultants.
							Q1-Q4	<ul style="list-style-type: none"> Finalize planning, schedule and scope of the assessment with all stakeholders and IADI consultants. Conduct assessment activities. Present final assessment report and action plan to COM, Board and FSSN Partners.

TABLE 1								
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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.6 Strengthen Research Capabilities (in Collaboration with Human Resource and Administration Section)	IRIR	MRA, LCSB, HRA			Q1-Q4		Q1-Q4	<ul style="list-style-type: none"> Identify and establish relationship with a selected educational institution to conduct, publish and present research paper jointly with JDIC Officers. Agree research topic, prepare outline and draft paper. 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.

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CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.7 Credit Union Admission to the Deposit Insurance Scheme	MRA	FCSB; IRIR; LCSB; Corporate Planning and Communications; ICT; MoFPS, BOJ; Credit Unions; JCCUL; and the Registrar of Cooperative Societies.		Q1-Q4				<ul style="list-style-type: none"> Review the appropriateness of the design features for the admission of the credit union sector (developed in 2015), including the proposed Target Reserve Ratio, vis-à-vis the potential risk of the sector to the DIS and make recommendations for revisions to the COM, BOJ, MoFPS and JCCUL where necessary (Q1). Review the CUPSA Bill to treat with any nuances in relation to the DIA and recommend proposals, as necessary (Q1). Continue to build-out the risk assessment framework for credit unions consistent with the proposed supervisory assessment standard (Q3-Q4). Update the previous research on the operational structure of the sector to inform the Corporation's understanding of the operations for the credit union sector (Q3-Q4).
					Q1-Q4			<ul style="list-style-type: none"> Further to work undertaken in Year 1 make any further amendments to the JDIC Policyholder Risk Assessment Framework, particularly, for the credit unions as necessary (Q1-Q2). Hold at a minimum semi-annual meetings with the JCCUL senior management team regarding the admission process and the provisions of the DIA to ensure compliance with the Policy of Deposit Insurance. Continue to work with the JCCUL and the BOJ to settle any outstanding matters for the admission of the sector to the DIS.

TABLE 1								
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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.7.1 Accounting for Admission of Credit Unions to Deposit Insurance Scheme	FCSB	IRIR, MRA, Internal Auditors, COM		Q1-Q4				<ul style="list-style-type: none"> Complete the research & draft of Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme. Complete the opening of Separate Bank Account and General Ledger, and update of Chart of Accounts for the admission of the Credit Unions to the Deposit Insurance Scheme. Complete the branch review of Accounting Policies and Procedures for the admission of Credit Unions to the Deposit Insurance Scheme. Obtain COM approval of Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme.
					Q1-Q2			<ul style="list-style-type: none"> Complete the implementation of Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.7.2 Legislative Amendments to the DIA in Keeping with the Admission of Credit Unions	LCSB	MRA, IRIR, FCSB, MoFPS		Q1-Q4				<ul style="list-style-type: none"> Review the DIA and submit proposed consequential amendments to the MoFPS. See necessary legislative reform through to implementation. Review the Credit Unions (Special Provisions) Bill ("CUSPA") and the DIA to ensure consistency. (Refer to MRA FY 2023/24). Support the admission of Credit Unions to the DIS consistent with JDIC's admission framework and the BOJ's licensing process. (Refer to MRA FY 2023/24).
1.7.3 Review and Update Internal Policies, Procedures, and Systems to Include Credit Unions	LCSB	MRA, IRIR, FCSB, MoFPS		Q1-Q4				<ul style="list-style-type: none"> Assist with the development of internal policies and procedures to ensure proper monitoring of credit unions in accordance with the DIA. Assist in the development of internal policies and procedures for the establishment of a compliance framework to include Credit Unions. Assist in the development of internal record keeping, resolution, pay-out policies and procedures to include credit unions.
1.8 Compensation Schemes-Non-Deposit Taking Institutions (Year 3 – 4 is contingent on year 1 and year 2 directives)	MRA	FCSB, IRIR, LCSB, FSC, MoFPS, BOJ, CARTAC/IMF, IADI		Q2				<ul style="list-style-type: none"> Reengage discussion with the Executive Director of the FSC and FRC for policy decision and the way forward.
					Q1-Q4			<ul style="list-style-type: none"> Commence research based on decided policy directive agreed in Year 1.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.8 Compensation Schemes-Non - Deposit Taking Institutions (Year 3 – 4 is contingent on year 1 and year 2 directives) Cont'd	FCSB, IRIR, LCSB, FSC, MoFPS, BOJ, CARTAC/IMF, IADI					Q1-Q4	Q1-Q4	<p>Engage SME to assist the Corporation with providing technical inputs for the development and implementation of an integrated protection scheme and relevant design features for the Non-Deposit Taking Sectors in collaboration with the FSC. This will include the review and update of the Draft Proposals for Establishing Compensation Schemes for the Non-Deposit Taking Financial Sector (2009), by the MoFPS and other stakeholders; and any other relevant subsequent papers.</p> <ul style="list-style-type: none"> Review the previous documents on the topic, the 2005 diagnostic report and the 2009 consultancy paper recommendations, "Proposal for Establishing Compensation Schemes for the Non-Deposit Taking Financial Sector in Jamaica" and update as necessary to address previously submitted feedback/gaps identified by the MoFPS and to support any subsequent/ revised agreements in regard to the policy proposals by the FRC. Contingent on the agreed policy proposals as per initiative "a" above, the MRAS will conduct research and develop a draft comprehensive strategy to convert the JDIC to an integrated protection agency and to also manage an Integrated Protection Scheme. The draft strategy will be submitted to the COM and Board for review/sign off and subsequent submission made to the FRC, MoFPS and other stakeholders for consultations. Continue research and work as well as collaboration with FSSN agencies for the implementation of an integrated protection scheme, including the name change of the JDIC to reflect any expanded mandate.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.8.1 Accounting Policies and Procedures for Compensation Schemes for Non-Deposit Taking Institutions	FCSB	IRIR, MRA, COM				Q1-Q4		<ul style="list-style-type: none"> Complete the research & draft of Accounting Policies and Procedures for the compensation schemes for Non-Deposit Taking Institutions. Complete the branch review of Accounting Policies and Procedures for the compensation schemes for Non-Deposit Taking Institutions.
							Q1-Q3	<ul style="list-style-type: none"> Obtain COM approval of Accounting Policies and Procedures for the compensation schemes for Non-Deposit Taking Institutions. Complete the opening of separate Bank Account and General Ledger, and the update of Chart of Accounts for the compensation schemes for Non-Deposit Taking Institutions. Complete implementation of Accounting Policies and Procedures for the compensation schemes for Non-Deposit Taking Institutions.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.9 Deposit Insurance Fund Adequacy Evaluation (DIFAE) and Target Reserve Ratio	MRA	FCSB, IRIR, LCSB		Q2	Q2	Q2	Q2	<ul style="list-style-type: none"> Conduct the Deposit Insurance Fund Adequacy Evaluation; Present findings and recommendations to COM and Board and share findings with the FRC and MoFPS.
						Q2-Q4		<ul style="list-style-type: none"> Conduct an evaluation of the Corporation's Target Reserve Ratio, currently 8-10 percent to determine currency based on changing operating and market environment. Present findings and recommendations to COM and Board. Implement recommendations.
1.10 Review of the Coverage Limit and the Scope of Coverage	MRA	FCSB, IRIR; LCSB, CPCB, ICT, BOJ, Member Institutions, MoFPS		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Finalize findings from the Deposit Accounts Survey and make recommendations to the COM and the Board where applicable regarding implications for the Corporation's Scope of Coverage and Coverage Rules (year 1). Collaborate with the LCSB in the comprehensive review of the DIA (year 2).

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.11 Review of the Coverage Limit and the Scope of Coverage Cont'd	MRA	FCSB, IRIR, LCSB, CPCB, ICT, BOJ, Member Institutions, MoFPS				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Conduct research to assess the appropriateness of issuing regulations for the Deposit Insurance Scheme Rules of Coverage, as required (Year 3 Q2) and as appropriate draft documentation to support the proposals for issuing regulations and submit to the Legal Section. Engage in stakeholder consultations with Member Institutions regarding any proposed changes to the Corporation's Coverage Rules (Year 3 Q3) and the issuing of regulations if agreed. Notify Member Institutions and other relevant stakeholders of any changes in the scope of coverage and the implementation timeframe (Year 3 – Q4). Finalize with the Corporate Communications Section amendments to the Coverage Rules Handbook to align with the regulations for publication (Year 4 - Q1 – Q2). Participate in public education campaign with the Corporate Planning and Communications Branch (Year 4 – Q3 – Q4).
						Q1-Q4		<ul style="list-style-type: none"> Complete the review of the coverage limit having due regard to any significant changes in market and operating environment to include movements in the exchange and inflation rates. The last review was finalized in August 2020; (Q2) Present findings and recommendations on the recommended coverage limit to the Board for sign-off; (Q3) Prepare and submit the necessary Ministerial Order if a change to the coverage limit is recommended. (Q4)

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.12 Review of the Premium Assessment Rate	MRA	FCSB, IRIR, LCSB, ICT, BOJ, Member Institutions, MoFPS				Q1-Q4		<ul style="list-style-type: none"> Complete 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. (Q3) Present the findings and recommendations of the premium assessment rate review to COM and Board sign-off (Q4).
							Q1-Q4	<ul style="list-style-type: none"> Prepare the necessary Ministerial Order, if a change to the assessment rate is recommended (Q1). Notify Member Institutions and other relevant stakeholders of changes, if any, to the assessment rate and implementation timeframe (Q2-Q3). Operationalize and implement any change made to the premium assessment rate, should this be necessary (Q4).
1.13 Reexamine the Feasibility of a Framework for Differential Premium Rates	MRA	FCSB, IRIR, LCSB, ICT, BOJ, FSC, Member Institutions					Q1-Q4	<ul style="list-style-type: none"> Update the previous 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.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.14 Update the JDIC Membership Admission Framework	MRA	FCSB, IRIR, LCSB, ICT, BOJ, Credit Unions, Jamaica Cooperative Credit Union League, Department of Cooperatives and Friendly Societies (DCFS), IADI		Q1-Q4				<ul style="list-style-type: none"> Continue the on-going updating of the JDIC Membership Admission Framework; Review and update the Membership and Admission Policy to treat with monitoring of expanded delivery channels by Member Institutions. Continue the updating of the Admission Framework to treat with any legislative changes.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.15 Update the JDIC Policyholders' Risk Assessment Framework	MRA	FCSB, IRIR, LCSB, ICT, BOJ, Credit Unions, JCCUL, Department of Cooperatives and Friendly Societies (DCFS), IADI		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Collaborate with the BOJ to determine the timeline when the BOJ expects to be converted fully to risk based supervision and Consolidated Risk Based assessment of existing DTIs, which will also inform the JDIC's PRAF processes and procedures; 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 BOJ and MoFPS regarding the timeline for the promulgation of the Bill, Credit Unions (Special Provisions) Act; Collaborate and establish with the JCCUL specific information sharing schedule and continue the monitoring and risk assessment of credit unions, as well as conduct sensitization sessions with JCCUL staff and their credit union members; Continue informal monitoring and risk assessment and report to COM key financial indicators and the overall position of individual credit unions and the credit union sub-sector; and Review the specific design features for the admission of the credit union sector to the DIS, make recommendations relating to findings and update and/or develop policies and procedures from on-going research.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.16 Deposit Insurance Fund Contingency Funding	FCSB	IRIR, MRA, COM			Q1-Q4			<ul style="list-style-type: none"> Complete the research & draft of Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures. Complete the branch review of Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures. Obtain COM approval of Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures.
						Q1		<ul style="list-style-type: none"> Complete the implementation of Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures.
1.17 Accounting Policies, Procedures and Systems for Resolution Fund Management	FCSB	IRIR, MRA, COM			Q1-Q4			<ul style="list-style-type: none"> Complete the research & draft of Resolution Fund Management Accounting Policies and Procedures. Complete the branch review of Resolution Fund Management Accounting Policies and Procedures.
						Q1-Q3		<ul style="list-style-type: none"> Obtain COM approval of Resolution Fund Management Accounting Policies and Procedures. Complete the opening of separate Bank Account and General Ledger, and update of Chart of Accounts for Resolution Fund Management. Complete the implementation of Resolution Fund Management Accounting Policies and Procedures.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

1.18 Administration								
1.18.1 Business Office Acquisition	FCSB	LCSB, Procurement Committee, COM, 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 a business office. Procure the services of a Real Estate Agency.
					Q2-Q4			<ul style="list-style-type: none"> Complete Conveyance of Business Office Procure Property Renovation Consultant for design, construction and renovation services (as reasonably required) of the newly acquired Business Office. Complete renovation of New Business Office. Relocate Operations to New Business Office.
1.18.2 Conversion of Air Conditioning Units	FCSB	COM, Procurement Committee, Board		Q2-Q3				<ul style="list-style-type: none"> Procure air conditioning system by end of Q2 of FY2023/24. Install energy efficient air conditioning system by end of Q3 of FY2023/24.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.18.3 Conversion of Energy System - Solar Energy	FCSB	COM, Procurement Committee, BOD				Q1-Q4		<ul style="list-style-type: none"> Procurement of technical support to conduct assessment by Q1 of FY2025/26. Procurement of a solar energy system by Q3 of FY2025/26.
							Q4	<ul style="list-style-type: none"> Installation of solar energy system. Commission the solar energy system into operation.
1.18.4 Environmental Management	FCSB	COM, Procurement Committee, Board				Q3		<ul style="list-style-type: none"> Engage a Subject Matter Expert to assess the JDIC environment and assist in reviewing the JS ISO 14001:2015 and JS ISO 14005:2019 – EMS Guidelines to determine the requirements and develop an appropriate Action Plan for implementation.
							Q3-Q4	<ul style="list-style-type: none"> Implement the approved EMS Action Plan on a phased basis.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

1.19 Propose Legislation to Access Policyholder Records Prior to Closure	LCSB	CEO, IRIR, MRA, ICT, BOJ, MoFPS, Policyholders, and other stakeholders		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Review applicable legislation regarding the storage of policyholder information and ensure compliance through the drafting of internal policies and procedures.
1.20 Establishment and Implementation of Data Protection Framework	LCSB	All Branches/ Sections		Q1-Q4				<ul style="list-style-type: none"> Follow through with the development and establishment of the Data Protection Framework. Revise internal policies and procedures in accordance with the DPA to ensure compliance. Draft Data Protection Policy for review and approval by the Committee of Management. Present to the Board of Directors the Data Protection Framework, inclusive of the Data Protection Policy. Coordinate staff training/sensitization sessions on the DPA and in-house framework. The necessity of engaging a SME to undertake a privacy audit in the first quarter of FY2023/24 will be explored.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
1.21 Conduct Media Communication Training and Simulation	CPCB	All Branches			Q2-Q4		Q2-Q4	<ul style="list-style-type: none"> Engage a consultant to conduct media training and simulation exercise. Consultant to post prepare training/simulation report and propose recommendations for gaps identified. Develop action plan to address gaps including updates to the Communications Manual as required.
1.22 Conduct Crisis Communication Simulation Activities - (Refer IRIR Operating Plan)	CPCB	All Branches		Q1-Q4			Q1-Q4	<ul style="list-style-type: none"> Engage consultant to conduct crisis communication and simulation training for JDIC crisis response teams. Assist consultants with developing simulation scenarios. Consultant to prepare simulation report and recommendations and present to COM. Develop action plan to address gaps and update Crisis Communication Manual as required.
		All Branches, Call Centre Staff			Q1-Q4			<ul style="list-style-type: none"> Engage Call Centre Engage Consultant to conduct Crisis Communication and Simulation training for Call Centre staff Assist consultant with developing simulation scenarios Consultant to prepare simulation report and recommendations and present to COM JDIC to develop action plan to address gaps, including update the Communications Manual as required.

TABLE 1								
CORPORATE PLAN FY2023/24 - FY2026/27								
BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

1.23 Simulate FRC Inter-Agency Financial Crisis Communication Plan (in Collaboration with the IRIR Section- Refer Operational Plan)	CPCB	All Branches, BOJ, FSC and MoFPS		Q1-Q2		Q1-Q2		<ul style="list-style-type: none"> Participate in FRC led activities to plan and execute a multi-agency crisis communication simulation. (Subject to the FRC schedule) Participate in the multi-agency crisis communication simulation Develop action plan to address gaps identified during the simulation with regard to the JDIC's Crisis Communication Plan. Develop Action Plan to address gaps identified, (including update of the Inter-Agency Crisis Communication Plan and JDIC's, as required).
2 Strong Partnerships								
2.1 Deliver Regional Training/Seminar for IADI Members and CARICOM Member States	IRIR	All Branches, 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.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
2.2 Collaborate with the CARICOM Secretariat and Member Countries to Develop a CARICOM Deposit Insurance Model Law	IRIR, LCSB	LCSB, MRA		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Provide technical input and support consistent with the CARICOM Secretariat and TWG to draft a deposit insurance model law for member states.
2.3 Follow Through with Achieving the Implementation of Service Level Agreements for Information Sharing with the Central Bank	MRA, LCSB	CEO, FSCB, IRIR, ICT, BOJ		Q1-Q4				<ul style="list-style-type: none"> Commence semi-annual counterparty meetings with the BOJ Review information and notes from meeting discussions and prepare reports to update COM and make policy recommendations where appropriate. 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. JDIC and the BOJ sign Service Level Agreement Operationalise the Service Agreement with the BOJ.
2.4 Strengthen Stakeholders' Engagement	MRA	CEO, FSCB, IRIR, CPCB, ICT, MIs, BOJ, FSC		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Continue to work with the Corporate Planning and Communications Branch to update the Policyholder Resources on the JDIC website, as required. Provide inputs to the Corporate Planning and Communications Branch with regard to the preparation for the meeting with CEOs and senior managers of MIs and their respective operations and compliance officers. MRAS will arrange semi-annual and at least annual meetings with the BOJ's and the FSC's counterparty relationship managers respectively

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
2.5 Establishment of Compensation/Guarantee Schemes for the Non-Deposit Taking Sector (Collaboration with FSC and BOJ)	LCSB	MRA, FCSB, IRIR, FSC, MoFPS, BOJ, IADI		Q1-Q4				<ul style="list-style-type: none"> Conduct legal research into legislative provisions applicable to different types of compensation schemes.
					Q1-Q3	Q1-Q3	Q1-Q3	<ul style="list-style-type: none"> Conduct further research into the legislative provisions of other deposit insurers internationally, to propose amendments to the DIA to provide for necessary powers and functions to establish, manage and carry out a payout from a compensation scheme for the non-DITs. Prepare and submit to the MoFPS, a Proposal for amendments to the DIA to provide the Corporation with the enabling provisions to establish and manage a compensation scheme for non-deposit-taking financial institutions. Follow through on the legislative process for the promulgation of the amendments to the DIA.

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
2.6 Strengthen Member Institutions/Strategic Partners Engagement	CPCB	All Branches, Member Institutions, Stakeholders		Q1-Q2		Q1-Q2		<ul style="list-style-type: none"> Arrange meetings with Policyholder Heads and Host Policyholder fora (part of 25th Anniversary activities) Prepare Evaluation Report for submission to COM and sharing with Policyholders. Design survey instrument to gauge Policyholders/strategic partners' confidence in and awareness of the JDIC and the DIS.
3 Leveraging Information and Communication Technology for Strengthening Operational Efficiency & Value Creation								
3.1 Maintain the Payout Management Information System	IRIR	PMIS Team, ICT Staff, ICT FIRM/PMIS Programmer, Business Analyst		Q1-Q4				<ul style="list-style-type: none"> Complete PMIS system updates and deploy revised PMIS version. Implement PMIS Medium Term Strategic Development Plan. Deliver annual PMIS end user training activities to staff. Commission independent technical system audit with focus on data protection

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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
3.1 Maintain the Payout Management Information System Cont'd	IRIR	PMIS Team, ICT Staff, ICT FIRM/PMIS Programmer, Business Analyst			Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Conduct ongoing system maintenance/ support. Commence phased implementation of the PMIS Medium Term Strategic Development Plan (may include PMIS Version 2). Deliver annual PMIS end user training activities to staff.
3.2 Implement Range of Deposit Insurance Payment Disbursement Methods	IRIR	ICT Unit, Business Analyst, ICT Firm/PMIS Programmer, FIS, LCSB		Q1-Q4				<ul style="list-style-type: none"> Complete procurement process to engage 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 and Accounting Software). Implement online payment system.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

3.3 Develop the Resolution Database Module of the Member Institutions' Business Intelligence Software – MIBIS (Refer MRA and ICT Initiatives)	IRIR	MRA, ICT, FCSB, LCSB, BOJ, Member Institutions		Q1-Q4				<ul style="list-style-type: none"> Review/draft business requirements to include all the JDIC information needs and data sources for the resolution function. Document the functional and non-functional requirements to automate the business process to support the resolution framework i.e. Develop a Member Institution Business Intelligence Software (MIBIS). Conduct market research, in collaboration with the MRA Section, to determine the most feasible solution for the MIBIS whether to engage in shared services with BOJ; buy; or build the solution to include the capacity to interface with the BOJ FIRD portal (The BOJ extracts data from its JAM-FIRMS and uploads to the BOJ FIRD portal to allow JDIC access) and for the resolution function. Develop a plan for the acquisition and implementation of the solution for the MIBIS.
					Q1-Q4			<ul style="list-style-type: none"> Prepare the Terms of Reference to procure the MIBIS based on the recommended solution approach and conduct the procurement process (Conduct Tender Process; Evaluate Bids; Award and Execute Contract). Commence development/ implementation of the MIBIS.
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Finalize development of the MIBIS. Conduct user acceptance testing of the MIBIS and complete implementation. Conduct post implementation assessment. Develop and implement MIBIS maintenance plan.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
3.4 Implementation of Investment Software	FCSB			Q1-Q4				<ul style="list-style-type: none"> Prepare RFP for Software Developer Consultant for the development of Investment Portfolio and General Ledger templates. Contract Software Developer Consultant. Complete the development of the Investment Software (Software Developer Consultant with responsibility). Complete the implementation and testing of Investment Software.
3.5 Investment Portfolio and General Ledger Templates	FCSB			Q1-Q4				<ul style="list-style-type: none"> Prepare RFP for Excel Developer Consultant for the development of Investment Portfolio and General Ledger templates. Contract Excel Developer. Complete Investment Portfolio and General Ledger templates. Walk through and Implement Investment Portfolio and General Ledger templates.
3.6 Implementation of an Imagelink Software	FCSB			Q3-Q4				<ul style="list-style-type: none"> Prepare RFP for the Purchase of ImageLink Software. Contract the IT Consultant for the purchase of ImageLink Software. Complete the implementation of ImageLink Software.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

3.7 Implementation of Member Institutions' Business Intelligence Software (MIBIS)	MRA	FCSB, IRIR, LCSB, 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 (Q1). If it is determined that there is a need for a BI software, the BA will conduct market research to determine the most feasible software that is acceptable of interfacing with the BOJ JAM-FIRMS (Q2); Finalize with the BOJ, all the data requirements necessary for the JDIC to access the BOJ FIRD portal. Review and update the Membership and Admission Policy to treat with monitoring of expanded delivery channels by Member Institutions.
					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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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

3.8 Review ICT Infrastructure								
3.8.1 Review, Update and Simulate ICT Infrastructure, Disaster Preparedness, Recovery and Business Continuity Management Plans	FCSB	All Staff, COM		Q1-Q4				<ul style="list-style-type: none"> Complete the review and update of the ICT DPRBCM Plan Complete simulation exercises and training of staff on the updated ICT DPRBCM Plan Conduct upgrade of the ICT infrastructure based on recommended Action Plan
3.8.2 Conduct ICT Infrastructure Security Audit	FCSB	All Staff, COM, Procurement Section		Q1-Q4				<ul style="list-style-type: none"> Engage subject matter expert to conduct ICT Infrastructure Security Audit Conduct ICT Infrastructure Security Audit Review Audit Findings and Develop Remediation Action Plan Implement Remediation Action Plan
3.8.3 ICT Security Posture Assurance	FCSB	All Staff, COM, Procurement Section			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Engage SME to conduct Security Posture Assessment Conduct Security Posture Assessment Review Assessment Findings and Develop Remediation Action Plan Commence implementation of Remediation Action Plan (FY2025/26)

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
3.9 Upgrade Level of Resilience and Monitoring of Infrastructure	FCSB			Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	<ul style="list-style-type: none"> Complete assessment of IT infrastructure to determine the required upgrades needed and develop Implementation Plan Procure and dispose of hardware and software according to the Implementation Plan Implement upgrades to the MIS infrastructure
3.10 Enterprise-Wide Adoption of Collaboration Tools Programme	FCSB	All Staff, COM		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Develop of a phased Action Plan for corporate-wide adoption of the available collaboration tools including orientation, training, monitoring and support Carry of Phased implementation of the Action Conduct staff training and evaluation
3.11 Develop an Enterprise-Wide Data Strategy	FCSB	All Staff, COM, Procurement, MRA Section		Q1-Q4				<ul style="list-style-type: none"> Prepare Request for Proposal for engagement of SME to develop the over-arching Corporate Data Strategy to guide discovery and report Complete development of the over-arching Corporate Data Strategy to guide discovery and report Conduct re-evaluation of all required solutions/ ICT initiatives against the Data Strategy

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
3.12 Implement Records and Information Management Programme Consistent with GOJ Standards Preparatory to the Implementation of the Electronic Records and Information Management System	FCSB	COM; All Staff, RIM Committee, Project Implementation Team		Q1-Q4				<ul style="list-style-type: none"> Implementation of the JDIC RIM Procedures Manual by Q1 of FY2023/24 Development of a function-based Classification Scheme by Q3 of FY2023/24 Development of a Records Appraisal System and the Retention and Disposal Schedule by Q3 of FY2023/24 Decongestion and Destruction of physical records by Q4 of FY2023/24 Conduct research and business case outlining for the acquisition of an electronic records management system by Q3 of FY2023/24.
					Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Procure electronic records and information system by Q1 FY2024/25. Implementation of electronic records and information systems by Q3 of FY2025/26. Conduct user training by Q4 of FY2025/26.
3.13 Library	FCSB	COM, Records and Information Officer; All Staff			Q4			<ul style="list-style-type: none"> Update and modernize the JDIC Library Policy and Procedures Manual. Re-establish physical library subject to purchase of additional office space. Review and maintain subscriptions for the digital library.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
3.14 Agile, Data Management, Innovation and Change Management Training	FCSB	All Staff, COM, Procurement Section		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Prepare Digital Transformation Training and Evaluation Plan Prepare Terms of Reference(s) for engaging training resources as needed Conduct training initiatives according to the Digital Transformation Training Plan Conduct assessment of staff adaptation to the Digital Transformation Strategy according to the Training Evaluation Plan
					Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Complete training of staff Identify Champions to aid in the successful implementation of the Digital Transformation Strategy Training of additional staff started and completed

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

3.15 Implement an Online Design and Publishing, Communications Tool with Analytics Capabilities	CPCB	All Staff, COM, Procurement Section			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Complete research on available online design and publishing, communication tools and prepare Business Case for the procurement of a selected tool Prepare an Implementation Action Plan for an online design and publishing, communication tools Prepare Request for Proposal for the procurement an online design and publishing, communication tools Complete phased implementation of the procured online design and publishing, communication tools according to the Action Plan (to include designing of a database repository) Conduct user training
3.16 Implement a Cloud Based Reputation and Brand Management Tool	CPCB	MIS, Procurement		Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Solution identified and acquired Staff training
						Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Utilisation over 90%, New, sharper Insights on stake holder impressions identified, targeted strategies developed, activated and response measured Data integrated into MIBIS

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
4 Building Sustainable Human Resource Capacity								
4.1 Implementation of Human Resource Management Information System – MYHR+	FCSB	COM, HRA, MIS		Q1-Q4				<ul style="list-style-type: none"> Review and report to CFCSO on the feasibility of integrating the Payroll function with MyHR+ by Q1. Upload employee data into MyHR+ by Q4 of March 2024.
					Q1-Q4			<ul style="list-style-type: none"> Complete implementation of MyHR+ with the support of the MoFPS under the Strategic Public Sector Transformation Programme by Q1 pf FY2024/25. Complete training of users and sensitize staff on the benefits of the MyHR+ software by Q2 of FY2024/25.
4.2 Organizational Structure	FCSB	COM; All Staff		Q4				<ul style="list-style-type: none"> Sensitize employees on the revised establishment subject to approval from MoFPS. Issue confirmation letters and Job Descriptions for positions in line with approval received from MoFPS.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
4.3 Update and Modernize Human Resource Policies, Guidelines and Procedures Framework	FCSB	COM, All Staff		Q1-Q4				<ul style="list-style-type: none"> Complete the updating and modernization of Human Resource Management Policies by Q1 of FY2023/24. The procurement of consultant will be completed in FY2022/23. Obtain COM's approval for revision Q2 of FY2023/24. Implement modernized HR Policies and Procedures Manual by Q3 of FY2023/24. Train and sensitize staff in the provisions and application of the Manual by Q3 of FY2023/24.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
4.4 Performance Management and Development	FCSB	COM, All Staff		Q1-Q4				<ul style="list-style-type: none"> Complete the review which commenced in FY2021/2022 of the Corporation's operations and determine the staff performance appraisal needs. Update where necessary, the appraisal documentation in place - Mid-Year Employee Performance and Assessment Form and Employee Performance Management and Development Form; Obtain COM's approval for revision. Implement modified performance

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
4.5 Daycare Programme for Employees with Children	FCSB	COM, BOD, All Staff		Q1				<ul style="list-style-type: none"> Implement Daycare Allowance and Annual Back-to-School Grant by Q1 of FY2023/24.
5 Public Education and Awareness								
5.1 Twenty-Fifth (25 th) Anniversary Initiatives	CPCB	All Branches, FSSN Partners, Website Manager		Q1-Q4				<ul style="list-style-type: none"> Continue work with Event Planner (engaged in FY2022/23) to finalize logistics and host the 25th Anniversary events to include successful execution of: church service; public forum and school competition and other events as per Proposal from Events Planner. Compile information for newspaper supplement in Q1 (including anniversary messages from the PM, Minister, FS, BOJ Governor, FSC, Regional DIs, BAJ, JIFS, JSE and CAC) and send to graphic artist for layout and design. Publish supplement and generate 25th anniversary content for corporate website and social media platforms.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
5.2 Develop New Radio and Television Advertisements	CPCB	All Branches			Q1-Q4		Q1-Q4	<ul style="list-style-type: none"> Develop TOR to engage firm to develop new radio and television advertisements. Submit ad design/content to COM for approval to air new advertisements.
5.3 Develop Content for Feature and Programme Sponsorships	CPCB	All Branches, FSSN Partners			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Develop TOR and engage firm to produce the Deposit Insurance in a Minute Feature. Air Deposit Insurance in a Minute feature on radio and television and other media formats.
5.4 Schools Programme								
5.4.1 Book on 'Financial Systems' for Primary Schools	CPCB	All Branches, MOEY, FSSN Partners,		Q1-Q4				<ul style="list-style-type: none"> Promote and distribute the financial education book to primary schools island wide. Engage SME for the development of the animated version of financial education book.
					Q1-Q4			<ul style="list-style-type: none"> Launch animated book. In consultation with MOEYI 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 curriculum for primary schools.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	

5.4.2 Financial Education in Secondary and Tertiary Institutions	CPCB	All Branches, Secondary and Tertiary Institutions, JIFS		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Launch a logo design/essay competition for secondary and tertiary students and promote the competition on social media platforms and in the print media (to coincide with 25th Anniversary activities). Host awards function to announce winners. Make at least six (6) DI presentations to secondary schools/other educational institutions.
5.5 Conduct Policyholders Training and Develop Complementary Online Programme	CPCB	All Branches, Policyholders		Q1-Q4				<ul style="list-style-type: none"> Finalize engagement of consultant/ SME to develop online training platform Draft new/update existing Policyholder training manual and present to COM for approval. Liaise with consultant to acquire software to facilitate the build-out of the online platform and upload training material. Conduct in-house test of training programme to identify and address any errors/gaps and prepare a Report on findings for COM review/approval
					Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Launch online training platform Inform Policyholders of online training programme and conduct tutorials with their respective training Branches. Develop online questionnaire to assess the effectiveness of the programme.

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5.6 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 (in Collaboration with the IRIR Section- Refer Operational Plan)	CPCB	All Branches, BOJ, FSC, JSE		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	<ul style="list-style-type: none"> Host stakeholder and public fora and prepare evaluation reports for submission to COM.
5.7 Increase Public Awareness and Transparency of JDIC's Role in Resolution and Strengthen Stakeholder Engagement (in Collaboration with the IRIR Section – Refer Operational Plan)	CPCB	All Branches			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> Review/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.

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	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
5.8 Admission of Credit Unions to the Deposit Insurance Scheme (Contingent on the BOJ admission Timetable for Credit Unions)	CPCB	All Branches, JCCUL, BOJ, Credit Unions		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Engage SME to design advertising and implement advertising campaign for credit union (to include press briefing, production/airing of radio and television ads, placement of print ads and on social media) Update corporate website, brochures and other DIS literature to include credit unions covered, coverage limit and other FAQs and answers. Conduct DIS training for credit union staff island wide. Host Public Fora/ Townhall meetings targeting credit union members.
5.9 Conduct Public Education and Awareness Survey	CPCB	All Branches		Q2-Q4			Q2-Q4	<ul style="list-style-type: none"> Develop TOR and 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 survey instrument and obtain COM sign-off. Present survey findings to the COM and Board of Directors, highlighting improvements / gaps in programme. Amend public education programme as required.



DRAFT CORPORATE PLAN, OPERATING & CAPITAL BUDGETS FY2023/2024 - FY2026/2027

TABLE 1								
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BUSINESS STRATEGIES Key Initiatives	Branches/Section(s)		Impact on Strategies	Implementation Time Frame Projection				Key Performance Indicators (KPIs)
	Action By:	Support From:		2023- 2024	2024- 2025	2025- 2026	2026- 2027	
5.10 Rebrand Corporation - Implementation of Compensation Schemes for the Non-Deposit Taking Sector – (Refer IRIR & MRA's Operating Plans)	CPCB	All Branches, 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. Develop training manual for staff of Insurance Companies and other sectors and conduct training.



TABLE 2
CORPORATE SCORECARD
FY2023/24

TABLE 2 – CORPORATE SCORECARD FY2023/2024

	BUSINESS STRATEGIES Key Initiatives	Budget Reference Page	Implementation Timeframe	Key Performance Indicators
1.	PROACTIVE READINESS & RESOLUTION MANAGEMENT			
1.1	Finalize the Phased Implementation of Standard Recordkeeping Guidelines for Policyholders and supporting Recordkeeping Guidelines Compliance Framework		Q1-Q4	<ul style="list-style-type: none"> Conduct pilot exercises with selected Member Institutions to test and refine the data transmission activities as outlined in the draft Recordkeeping Guidelines Compliance Framework and make necessary consequential revisions to the Recordkeeping Guidelines. Deliver sensitization sessions to appraise all Member Institutions of the revised Recordkeeping Guidelines and Compliance Framework. Make final revisions to the Record-keeping Guidelines and Compliance Framework to incorporate feedback from pilot exercises and sensitization sessions. Submit the revised Record-keeping Guidelines and Compliance Framework to Member Institutions for implementation.
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"> Draft guidelines for professional intermediaries acting as trustees and nominees to comply with their obligations for disclosure and recordkeeping requirements pursuant to the Deposit Insurance (Joint, Trust and Nominee) Regulations. Deliver sensitization sessions for targeted stakeholders to increase awareness about the disclosure and record keeping obligations regarding trust and nominee accounts. Finalize guidelines and dispatch to professional intermediaries.
1.3	Test Contingency Planning and Crisis Preparedness and Management Framework and Systems		Q1-Q4	<ul style="list-style-type: none"> Conduct two financial crisis simulation and training exercises (agency and/or FSSN multi-agency) with focus on crisis management, resolution and depositor reimbursement/payout. Prepare simulation report. Develop and implement action plans to address gaps identified during the simulation.
	1.3.1 Collaborate with BOJ, FSC and MoFPS to Review and Operationalize the National Financial Crisis Preparedness and Management Plan		Q1-Q4	<ul style="list-style-type: none"> Participate in FRC led activities to review and/or draft compendium of policies and procedural documents that support the Plan (include the development of Crisis Management Playbooks). Participate in activities to plan and execute a multi-agency simulation. (Subject to the FRC schedule estimated for - Q3 – Q4). Develop action plan to address gaps identified during the simulation specific to JDIC's mandate. Provide technical input based on FRC Inter agency action plans and schedules to address gaps identified during the simulation.

1.4	Strengthen the Resolution Management Framework			
	1.41. Make Proposals For Legislative Amendments and the Drafting of Rules to Ensure The Corporation has the Necessary Powers to Act and Operationalise its Role In Resolution.		Q1-Q4	<ul style="list-style-type: none"> Review existing legislation, identify gaps and make recommendations to COM for policy proposals; drafting of legislation and/or regulations. Make submission to the MoFPS for drafting of legislation and/or regulations and follow through on the legislative process. Conduct consultations with stakeholders as necessary.
	1.4.2 Provide Technical Input in Collaboration with the MoFPS, BOJ and the FSC to Table and Implement the Financial Institution Resolution Act (FIRA)		Q1-Q4	<ul style="list-style-type: none"> Conduct research, provide technical input and participate in other FRC inter-agency activities during the policy proposal, consultative, drafting and enactment stages of the FIRA including making proposals for consequential amendments to the DIA.
	1.4.3 Develop Guidelines on the JDIC's Role as Liquidator (pursuant to the DIA) and Relationship as Resolution Administrator and the Bank of Jamaica as the Resolution Authority Under the FIRA		Q1-Q4	<ul style="list-style-type: none"> Finalize the development of the JDIC's governance and organizational structures to act as trustee/liquidator and resolution administrator of financial institutions. Make proposals amendments as may be necessary.
1.5	Credit Union Admission to the Deposit Insurance Scheme			
	1.5.1 Review Design Features of the DIS for the Credit Union Sector		Q1-Q4	<ul style="list-style-type: none"> Review the design features drafted in 2015 for the admission of the credit union sector to the DIS to ensure they are still relevant. Make recommendations for revisions to design features of the DIS to the COM, MoFPS, BOJ and JCCUL where necessary.
	1.5.2 Review and Update Internal Policies, Procedures and Systems to include Credit Unions		Q1-Q4	<ul style="list-style-type: none"> Continue to build-out the JDIC Policyholders Risk Assessment Framework for credit unions consistent with the proposed supervisory assessment standard. Review the CUPSA to treat with any nuances in relation to the DIA and recommend proposals for legislative amendments, as necessary and to inform the review of internal policies, procedures and systems to include credit unions. Update the previous research on the operations of the credit union sector and identify any additional areas regarding the Corporation's operating policies, procedures and systems to include credit unions. Commence further review of operating policies, procedures and systems relating to Member Institutions admission, compliance, risk assessment and resolution that

				require further updating to facilitate admission of the credit union sector to the DIS and to address the findings from the review of the CUSPA and the research.
	1.5.3 Accounting for Admission of Credit Unions to the Deposit Insurance Scheme		Q1-Q4	<ul style="list-style-type: none"> Draft the Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme and submit to COM for review. Complete the opening of Separate Bank Account and General Ledger, and update of Chart of Accounts for the admission of the Credit Unions to the Deposit Insurance Scheme. Obtain COM approval of Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme.
1.6	Compensation Schemes-Non-Deposit Taking Institutions		Q2	<ul style="list-style-type: none"> Reengage discussion with the Executive Director of the FSC and FRC to agree on policy decisions regarding compensation schemes for non-deposit taking institutions and strategies on the way forward.
1.7	Deposit Insurance Fund Adequacy Evaluation (DIFAE) and Target Reserve Ratio		Q2	<ul style="list-style-type: none"> Conduct the annual Deposit Insurance Fund Adequacy Evaluation and prepare Report. Present completed findings and recommendations to COM and Board and share findings with the MoFPS and the FRC.
1.8	Review of the Coverage Limit and the Scope of Coverage		Q1-Q4	<ul style="list-style-type: none"> Finalize the analysis of the findings from the Deposit Accounts Survey and make recommendations to the COM and the Board where applicable regarding implications for the Deposit Insurance Scope of Coverage and Coverage Rules.
1.11	Administration			
	1.11.1 Business Office Acquisition		Q1- Q4	<ul style="list-style-type: none"> Obtain approval of the MoFPS and the Public Investment Management Secretariat (PIMSEC) for the acquisition of a business office. Procure the services of a Real Estate Agency.
1.12	Establishment and Implementation of Data Protection Framework		Q1- Q4	<ul style="list-style-type: none"> Continue the development and establishment of the Data Protection Framework. Revise internal policies and procedures in accordance with the DPA to ensure compliance. Draft Data Protection Policy for review and approval by the Committee of Management. Present to the Board of Directors the Data Protection Framework, inclusive of the Data Protection Policy. Coordinate staff training/sensitization sessions on the DPA and in-house framework. The necessity of engaging a SME to undertake a privacy audit in the first quarter of FY2023/24 will be explored.

1.13	Conduct Crisis Communication Simulation Activities - (Refer IRIR Operating Plan)		Q1- Q4	<ul style="list-style-type: none"> Engage consultant to conduct crisis communication and simulation training. Assist consultants with developing simulation scenarios. Consultant to prepare simulation report and recommendations and present to COM. Develop action plan to address gaps and update Crisis Communication Manual as required.
1.14	Simulate FRC Inter-Agency Financial Crisis Communication Plan (in Collaboration with the IRIR Section- Refer Operational Plan)		Q1- Q2	<ul style="list-style-type: none"> Participate in FRC led activities to plan and execute a multi-agency crisis communication simulation. (Subject to the FRC schedule) Participate in the multi-agency crisis communication simulation Develop Action Plan to address gaps identified, (including update of the Inter-Agency Crisis Communication Plan and JDIC's, as required).
2	STRONG PARTNERSHIPS			
2.1	Follow Through with Achieving the Implementation of Service Level Agreements for Information Sharing with the Central Bank/BOJ		Q1-Q4	<ul style="list-style-type: none"> Review the Service Level Agreement previously shared with BOJ and submit revisions to COM for approval. Resubmit the revised Service Level Agreement to the BOJ for discussion and BOJ's input. JDIC and the BOJ finalize and sign Service Level Agreement. Operationalise the Service Agreement with the BOJ.
2.2	Strengthen Stakeholders' Engagement		Q1-Q4	<ul style="list-style-type: none"> Host meeting with CEOs and senior managers of MIs and their respective operations and compliance officers. Arrange annual and at least annual meetings with the BOJ's and the FSC's counterparty relationship managers respectively (commencing FY2023/24).
2.3	Establishment of Compensation/Guarantee Schemes for the Non-Deposit Taking Sector (Collaboration with FSC and BOJ)		Q1-Q4	<ul style="list-style-type: none"> Conduct research into legislative provisions applicable to different types of compensation schemes and prepare position paper.
2.4	Strengthen Policyholder/Strategic Partners Engagement		Q1-Q2	<ul style="list-style-type: none"> Arrange meetings with Policyholder Heads and Host Policyholder fora (part of 25th Anniversary activities) Prepare Evaluation Report for submission to COM and sharing with Policyholders. Design survey instrument to gauge Policyholders/strategic partners' confidence in and awareness of the JDIC and the DIS.
3	LEVERAGING INFORMATION AND COMMUNICATION TECHNOLOGY FOR OPERATIONAL EFFICIENCY & VALUE CREATION			
3.1	Maintain the Payout Management Information System		Q1-Q4	<ul style="list-style-type: none"> Complete PMIS system updates and deploy revised PMIS version. Implement PMIS Medium Term Strategic Development Plan. Deliver annual PMIS end user training activities to staff. Commission independent technical system audit with focus on data protection

3.2	Implement Range of Deposit Insurance Payment Disbursement Methods		Q1-Q4	<ul style="list-style-type: none"> Procure an ICT Firm to develop and implement the online insured deposit payment disbursement system using online banking electronic funds transfer facility and the PMIS Develop and implement the online insured deposit payment disbursement system.
3.3	Implementation of Member Institutions' Business Intelligence Software (MIBIS)		Q1-Q4	<ul style="list-style-type: none"> Draft the business requirement document for Member Institutions Compliance and Risk Assessment Frameworks. Document the functional and non-functional requirements to automate the business processes to support the Member Institution Compliance and Risk Assessment Framework. Conduct market research to determine the most feasible solution for the MIBIS. Develop a plan for the acquisition and implementation of the solution for the MIBIS.
3.4	Investment Software		Q1- Q4	<ul style="list-style-type: none"> Prepare RFP for Software Developer Consultant for the development of Investment Portfolio and General Ledger templates. Contract Software Developer Consultant. Complete the development of the Investment Software (Software Developer Consultant with responsibility). Complete the implementation and testing of Investment Software.
3.5	Investment Portfolio and General Ledger Templates		Q1-Q4	<ul style="list-style-type: none"> Prepare RFP for Excel Developer Consultant for the development of Investment Portfolio and General Ledger templates. Contract Excel Developer. Complete Investment Portfolio and General Ledger templates. Walk through and Implement Investment Portfolio and General Ledger templates
3.6	Implementation of an Imagelink Software		Q3- Q4	<ul style="list-style-type: none"> Prepare RFP for the Purchase of ImageLink Software. Contract the IT Consultant for the purchase of ImageLink Software. Complete the implementation of ImageLink Software.
3.7	Review ICT Infrastructure			
	3.7.1 Review, Update and Simulate ICT Infrastructure, Disaster Preparedness, Recovery and Business Continuity Management (DPRBCM) Plans		Q1-Q4	<ul style="list-style-type: none"> Review the ICT DPRBCM Plan and submit to COM for sign off. Complete simulation exercises and training of staff on the updated ICT DPRBCM Plan. Conduct upgrade of the ICT infrastructure based on recommended Action Plan from the review process.

	3.7.2 Conduct ICT Infrastructure Security Audit		Q1-Q4	<ul style="list-style-type: none"> Procure a subject matter expert to conduct ICT Infrastructure Security Audit Conduct ICT Infrastructure Security Audit Review Audit Findings and Develop Remediation Action Plan Commence implementation of Remediation Action Plan
3.8	Upgrade Level of Resilience and Monitoring of Infrastructure		Q1-Q3	<ul style="list-style-type: none"> Complete assessment of IT infrastructure to determine the required upgrades needed and develop Implementation Plan Procure and dispose of hardware and software according to the Implementation Plan Implement upgrades to the MIS infrastructure
3.9	Enterprise-Wide Adoption of Collaboration Tools Programme		Q1-Q4	<ul style="list-style-type: none"> Develop of a phased Action Plan for corporate-wide adoption of the available collaboration tools including orientation, training, monitoring and support Carry of Phased implementation of the Action Conduct staff training and evaluation
3.10	Develop an Enterprise-Wide Data Strategy		Q1-Q4	<ul style="list-style-type: none"> Prepare Request for Proposal for engagement of SME to develop the over-arching Corporate Data Strategy to guide discovery and report Complete development of the over-arching Corporate Data Strategy to guide discovery and report Conduct re-evaluation of all required solutions/ ICT initiatives against the Data Strategy
3.11	Implement Records and Information Management Programme Consistent with GOJ Standards Preparatory to the Implementation of the Electronic Records and Information Management System		Q1-Q4	<ul style="list-style-type: none"> Implementation of the JDIC RIM Procedures Manual by Q1. Development of a function-based Classification Scheme by Q3. Development of a Records Appraisal System and the Retention and Disposal Schedule by Q3. Decongestion and Destruction of physical records by Q4. Conduct research and business case outlining for the acquisition of an electronic records management system by Q3.
3.12	Agile, Data Management, Innovation and Change Management Training		Q1-Q4	<ul style="list-style-type: none"> Prepare Digital Transformation Training and Evaluation Plan. Prepare Terms of Reference(s) for engaging training resources as needed. Conduct training initiatives according to the Digital Transformation Training Plan. Conduct assessment of staff adaptation to the Digital Transformation Strategy according to the Training Evaluation Plan.
3.13	Implement a Cloud Based Reputation And Brand Management Tool		Q1-Q4	<ul style="list-style-type: none"> Solution identified and acquired. Staff training.

4	BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY			
4.1	Implementation of Human Resource Management Information System – MYHR+		Q1-Q4	<ul style="list-style-type: none"> Review and report to CFCSO on the feasibility of integrating the Payroll function with MyHR+ by Q1. Upload employee data into MyHR+ by Q4.
4.2	Update and Modernise Human Resource Policies, Guidelines and Procedures Framework		Q1-Q4	<ul style="list-style-type: none"> Complete the updating and modernization of Human Resource Management Policies by Q1. Obtain COM's approval for revision Q2. Implement modernized HR Policies and Procedures Manual by Q3. Train and sensitize staff in the provisions and application of the Manual by Q3.
4.3	Performance Management and Development		Q1-Q4	<ul style="list-style-type: none"> Complete the review which commenced in FY2021/2022 of the Corporation's operations and determine/document the staff performance appraisal needs. Update where necessary, the current appraisal documentation in place - Mid-Year Employee Performance and Assessment Form and Employee Performance Management and Development Form; Obtain COM's approval for revision. Implement modified performance management process, train and sensitize staff in the use of the revised forms.
5	PUBLIC EDUCATION & AWARENESS			
5.1	Twenty-Fifth (25th) Anniversary Initiatives		Q1-Q4	<ul style="list-style-type: none"> Continue work with Event Planner (engaged in FY2022/23) to finalize logistics and host the 25th Anniversary events to include successful execution of: church service; public fora and school competition and other events as per Proposal from Events Planner. Compile information for newspaper supplement in Q1 (including anniversary messages) and send to graphic artist for layout and design. Publish supplement and generate 25th anniversary content for corporate website and social media platforms.
5.2	Schools' Programme			
	5.2.1 Book on 'Financial Systems' for Primary Schools		Q1-Q4	<ul style="list-style-type: none"> Promote and distribute the financial education book to primary schools island wide. Engage SME for the development of the animated version of financial education book.
	5.2.2 Financial Education in Secondary and Tertiary Institutions		Q1-Q4	<ul style="list-style-type: none"> Launch a logo design/essay competition for secondary and tertiary students and promote the competition on social media platforms and in the print media (to coincide with 25th Anniversary activities).

				<ul style="list-style-type: none"> • Host awards function to recognize announce winners. • Make at least six (6) DI presentations to secondary schools/other educational institutions.
5.3	Conduct Policyholders Training and Develop Complementary Online Programme		Q1-Q4	<ul style="list-style-type: none"> • Finalize engagement of consultant/ SME to develop online training platform • Draft new/update existing Policyholder training manual and present to COM for approval. • Liaise with consultant to acquire software to facilitate the build-out of the online platform and upload training material. • Conduct in-house test of training programme to identify and address any errors/gaps and prepare a Report on findings for COM review/approval.
5.4	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		Q1-Q3	<ul style="list-style-type: none"> • Host stakeholder and public fora and prepare evaluation reports for submission to COM.
5.5	Admission of Credit Unions to the Deposit Insurance Scheme (Contingent on the BOJ Admission Timetable for Credit Unions)		Q1-Q4	<ul style="list-style-type: none"> • Engage SME to design and implement advertising campaign for credit union (to include press briefing, production/airing of radio and television ads, placement of print ads and on social media) • Update corporate website, brochures and other DIS literature to include credit unions covered, coverage limit and other FAQs and answers. • Conduct DIS training for credit union staff. • Host Public Fora/ Townhall meetings targeting credit union members.



PART C

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

Item 7

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

Item 8

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

Item 9

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

Item 10

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

Item 11

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

Item 12

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



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

Public Bodies Management and Accountability Act

Section 7

First Schedule

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

Item 7

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

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

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

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

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

Item 8

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

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

No such requirement has been made of JDIC to date.



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

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

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

Item 9

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

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

Item 10

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

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

Item 11

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

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

Item 12

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

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