



**JAMAICA DEPOSIT INSURANCE CORPORATION
FINAL CORPORATE PLAN, OPERATING AND CAPITAL BUDGETS
FY2024/25- FY2027/28**



Protecting Deposits For You and Me



VISION

To contribute to the highest levels of financial consumer protection and financial system confidence and stability in Jamaica and support financial stability in 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 responsibilities compliant with the JDIC statutory mandate and carry out supporting strategies and initiatives in a timely, effective and transparent manner.

INTEGRITY

We will adhere to strong moral and ethical principles in carrying out our responsibilities and for the larger benefit of the good of the society as a whole.

PROFESSIONALISM

We exercise all due skill and care and good judgment and adherence to appropriate standards and practices and ensuring the highest level of productivity in performing our duties.

TEAMWORK

We preserve an environment of collaborative efforts among our staff and other stakeholders, with mutual support and respect where our best solutions come from embracing our unique talents.

ADAPTABILITY

We actively pursue the objectives of the Corporation giving timely and appropriate identification and responses to changes in the operating environment and monitor productivity to improve our operations in pursuit of ensuring value to the financial system safety net for the benefit of depositors and other customers of the financial services.



TABLE OF CONTENT

I.	ABBREVIATIONS.....	5
II.	INTRODUCTION.....	7

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

III.	CORPORATE OBJECTS.....	13
IV	STRATEGIC PLAN	15
V.	ENVIRONMENTAL SCAN.....	41
VI.	STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT).....	59
VII.	ENVIRONMENTAL MANAGEMENT	71
VIII.	ENTERPRISE RISK MANAGEMENT	75
IX.	PLANNING ASSUMPTIONS	76

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

X.	JDIC CORPORATE SCORECARD FY2024/25 – FY2027/28.....	80
----	---	----

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

.....	99
-------	----



APPENDICES

Appendix 1: Organization Chart	103
---	-----

(Satisfaction of Items 3, 4 and 5 of the First Schedule of the PBMA)

Appendix 2: Operating and Capital Budgets FY2024/25 – FY2027/28 and Significant Accounting Policies.....	108
--	-----

Appendix 3: Procurement Plan FY2024/25 <i>(Includes Revised Procurement Plan for FY2023/24)</i>	148
---	-----

Appendix 4: Business Strategies: Performance Against Targets FY2023/24.....	158
--	-----

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
DPA	Data Protection Act
ERP	Economic Reform Programme
FAAA	Financial Administration and Audit Act
FIRA	Financial Institutions Resolution Act
FHC	Financial Holding Company
FRC	Financial Regulatory Committee
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
JCCUL	Jamaica Cooperative Credit Union League
JDIC	Jamaica Deposit Insurance Corporation



MEFP	Memorandum of Economic and Financial Policies
MIBIS	Member Institutions' Business Intelligence Software
MoFPS	Ministry of Finance and the Public Service
NFCPMP	National Financial Crisis Preparedness and Management Plan
NFIS	National Financial Inclusion Strategy
PBMA	Public Bodies Management and Accountability Act
PRAF	Policyholders' Risk Assessment Framework
SRR	Special Resolution Regime

INTRODUCTION

THE JDIC

The Jamaica Deposit Insurance Corporation (JDIC/the Corporation) was established in 1998 as an independent statutory corporation under the Deposit Insurance Act (DIA) as an integral part of the reform response to the financial system crisis in Jamaica in the mid-1990s. JDIC's mandate is to provide deposit insurance protection for the depositors of the Jamaican banking system, with its ultimate public policy objective being to contribute to the highest levels of confidence in and stability of the financial system in Jamaica. The JDIC carries out this statutory mandate by its management of the Deposit Insurance Scheme (DIS), which also includes the management of the Deposit Insurance Fund (DIF), both established under the DIA. In carrying out this objective, JDIC must take all such measures as may be necessary so that there is the least possible exposure to loss. It is noted that this national response measure to financial system crises, is an approach taken by countries globally and dates as far back as the 1930's when the Federal Deposit Insurance Corporation (FDIC) was established in response to the period of financial crisis known as the Great Depression in the United States of America. There are now over 100 deposit insurance agencies around the globe today, as well as other financial system compensation protection schemes, which protect the consumers of life and general insurance products; and investments provided by securities firms, pension schemes and other authorised financial services firms.

Deposit Insurance organizations, as in the case of the JDIC, are therefore an integral part of a country's Financial System Safety Net (FSSN) framework¹, for dealing with failing and failed banks and other licensed financial institutions. FSSN frameworks now include: the lender of last resort functions of the Central Bank, financial stability functions of the Central Bank; regulatory and supervisory agencies; resolution authorities; deposit insurance organizations, and other financial consumer protection compensation schemes; and Ministries of finance. All these functions within a FSSN are expected to work together synergistically.

JDIC's mandate for protecting depositors involves providing depositors with prompt access to their deposits up to the prescribed coverage limit (presently J\$1.2 M for each depositor, per insured institution), where their deposit-taking institution (DTI) becomes insolvent. In addition to paying out these depositors, where a liquidation is the decided resolution option, the JDIC's mandate also includes facilitating other financial institution resolution options in times of financial institution distress or crisis, in collaboration with other members of the FSSN and where such options are deemed less costly to the DIF and the system than a liquidation. For this purpose, JDIC also has the necessary powers in specified circumstances to use the DIF to aid in financing resolution options by the making of loans and advances or issuing guarantees to support restructurings of DTIs to protect depositors. Such resolution options include: the purchase of the assets and assumption of the liabilities of a failing bank by a viable bank (i.e. purchase and assumption transaction; the sale of a non-viable bank (i.e. merger or acquisition); and the creation of a temporary bridge bank, among others. JDIC can also act as a liquidator to effect restructurings

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

and winding up of banks and other financial institutions where they form part of a financial conglomerate and where financial system stability might be at risk.

The DIF which the Corporation manages and from which the expenses of its operations and the conduct of its mandate is charged, is funded by premiums levied on JDIC Policyholders (Member Institutions), 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 of December 31 and are due on April 1. The rationale is to achieve an *ex-ante* build-up of adequate financial resources to deal with a payout of the depositors of small non-systemic insolvent Policyholders or facilitate other resolution options. The DIF is now the only statutory source of funds designated explicitly to deal with the resolution of financial institutions in financial distress. The DIF is also comprised of the initial authorized capital of the Government of Jamaica of \$1M; interest on investments; and other income. As at September 30, 2023, the balance of the DIF was \$37.5 billion.

THE SETTING

With financial system stability being paramount for the country's economic growth and development, the last decade and a half has been characterized by the many national reforms to secure financial system stability consequent on the hard lessons learned from the Global Financial Crisis of 2007-2009 (GFC). Since that period, there have continued to be reforms and enhancement of financial system protections, driven by global setting standard-setting bodies, to improve cross-border financial regulation and resolution of globally systemic financial institutions and domestically systemic important financial institutions, all now referred to as systemically important financial institutions (SIFI's). Liquidity and capital standards have been made more robust since the GFC. These reforms, therefore, also impact Deposit Insurance Organization models, which must have the greatest level of integration into a country's Financial System Safety Net (FSSN), such that the synergies of the FSSNs are assured to provide maximum value for the objective of financial system stability, and that this remains sustainable.

Global developments such as the COVID-19 pandemic in mid-2020, followed by the Russian invasion of Ukraine in 2022; and in 2023, the Hamas/Israeli war, have continued to impact the global economy, resulting in Governments taking strategic steps to protect their economies and financial systems. Arising from these events there are supply chain disruptions and fossil fuel cartel suppliers' strangleholds on world oil prices continuing to impact national economies adversely and giving the truth to the ever-present adverse aspects of globalization. The inflationary tendencies that were the result of these events saw central banks implementing monetary contractionary policies, which impacted fair value outcomes for Bond markets that, among other factors, created some financial institution failures in the United States, United Kingdom, and Europe. These financial institution failures were dealt with from the suite of resolution powers implemented in the various jurisdictions that were compliant with the standards of best practices promoted post the GFC by the international standard-setting bodies, primarily the Financial Stability Board, the Basel Committee for Bank Supervision and the International Association of Deposit Insurers,

notwithstanding additional gaps in the various regulatory models were noted, as 2023, saw the first major test of these post GFC- crisis regulatory/resolution powers.

Fintech, increasingly now being more coupled with Artificial Intelligence, allows the continued financialization and digitization of financial products and services. In response, financial system regulators and Deposit Insurance Organizations have to proactively and continuously assess the stakeholder impacts, both risks and opportunities, recognizing that these developments continue to portend pervasive underlying cybersecurity risk and other challenges to financial systems and the global and national economies. Looming also, and more so existential, is climate change risk that poses significant challenges to financial system stability and economies. National governments, including Jamaica, through initiatives led by the Bank of Jamaica, supported by the FSC and JDIC, are now working to develop the appropriate prudential regulation to aid in ensuring the resilience of the financial system 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, develop strategies for sustainable human resource capacity, maintain strategic and strong partnerships, and promote public education and awareness if the required levels of value are to be created and enhanced, supportive of national economies' growth and development. The JDIC Corporate strategies set out in this plan continue to be premised on these aspects.

- Continued Financial System Reforms - Benchmarking International Standards

Jamaica, like its regional and international counterparts, continues to pursue reforms that accord with international standards and best practices to minimize the potential for the occurrence and impact of financial crises. The global reform agenda continues in the areas of liquidity, capital adequacy, macroprudential regulation, crisis management, and effective resolution frameworks for financial institutions and these are driven by global standard setting bodies, namely the Basel Committee on Banking Supervision, Financial System Stability Board and the International Association of Deposit Insurers. Reforms to address gaps identified consequent on the enhanced standards include establishing 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 depositor reimbursement and resolution readiness strategies and framework. Further to this, the JDIC's mandate and role in resolution will be more explicitly clarified upon the passing of the proposed Financial Institutions Resolution Act (FIRA). Under the FIRA, the BOJ is designated the Resolution Authority, and the JDIC may be designated a Resolution Administrator in the context of its existing powers and functions. The FIRA will also include provisions for establishing an explicit resolution fund that the JDIC will manage on behalf of the Resolution Authority. In early 2023, the Minister of Finance directed the implementation of a Twin Peaks Model for Financial Regulation in Jamaica with the legislation to be tabled in 2025. This will see the Bank of Jamaica being given the power for prudential regulation of the insurance, securities, and pension sectors, now

regulated by the FSC. The FSC will have a mandate for market conduct and consumer protection in relation to banks, insurance companies, securities dealers, and pension schemes. The drafting of the Credit Union (Special Provision) Act, to bring credit unions under the supervisory ambit of the BOJ and their subsequent mandatory membership in the DIS, also remains a priority on Jamaica's regulatory reform agenda and work continues to have the Bill tabled.

- Imperatives for Building Sustainable Human Resource and Institutional Capacity

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". The Corporation received MoFPS approval in 2021 for a new organization structure based on a JDIC submission made in 2018 in its *Organizational Review, Job Evaluation and Recommended Classification and Compensation Report*. The reclassification of JDIC jobs was not addressed by the MOFPS, pending the GOJ Compensation Project. The GOJ compensation project was completed in 2023. The JDIC will now update its job reclassification for an urgent submission to the MOFPS reflective of the required levels of expertise and skill of its staff compared to its peer and competitor organizations.

- Public Awareness and Education

In keeping with international standards of best practice and global reforms, and the local environment where the needs of the public and depositors for information are becoming the cultural norm with the various new media, the Corporation will continue deploying 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 they provide 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

To enhance its value proposition, a key business strategy for the Corporation remains "Leveraging Information and Communication Technology for Operational Efficiency and Value Creation", and during FY2022/23, the Corporation embarked on developing a *Strategic Digital Transformation Strategy and Plan*. The implementation process was slated to start in FY2023/2024, but this was slowed due to human resource constraints; however, with the engagement of an HR Consultant in the second quarter of the year, JDIC was able to implement a key element of the transformation with the Government of Jamaica MyHR+ proprietary software which brings on-line and automates human resources processes related to all personnel affairs and payroll affairs of staff. Other areas

will be rolled out under this system, and JDIC will implement these contemporaneously with the GOJ timeframe. In FY2023/24, the JDIC hired an in-house Manager for Information Systems, and it is expected that by April 1, 2024, an entire Digital Transformation Strategy team will be on board with the outsourced engagement of a Chief Information Officer, a Project Manager, and a Business Analyst. Implementation of the strategy starting in the planning period will continue into the medium term and remain a longer-term strategy as digitization becomes an increasingly pervasive business model for JDIC's value creation. The overall digital transformation objective is to equip the internal team 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 for the JDIC and an enabler for operational efficiency, the Digital Transformation Plan articulates a road map towards a desired level of digital maturity and includes rationalizing and prioritizing the implementation of digital initiatives to achieve the objectives.

- ***Continuing the Transformation - Defining and Creating Value***

The strategic/corporate planning period commenced with the usual validation of the business strategies, a review and assessment of the enterprise risk, and the KPIs for FY2023/24 (Refer to 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, Value Creation Chain, and the Corporate Scorecard Operating Plans detailing the business strategies and key initiatives to be conducted during the planning period in order to fill the performance gaps identified.



PART A

(SATISFACTION OF ITEMS 1 AND 2 OF THE FIRST SCHEDULES 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 define the mandate of the Corporation. In the context of the objectives of the Corporation other statutes in *pari materia* (to be read with) the DIA are the Bank of Jamaica Act, the Banking Services Act, the Financial Services Commission Act, the Securities Act, the Insurance Act, and the PBMA. The business strategies for the period of the Corporate Plan and the supporting key initiatives have the objective of ensuring the achievement of the mandate in support of contributing to financial system confidence and stability.

The mandate of the Corporation under the DIA incorporates its role as a regulatory counterpart to the Bank of Jamaica as provided for under the Bank of Jamaica Act, and the Corporation's decidedly enabling core operations are as follows:

❖ Policyholder Monitoring and Risk Assessment

- Management of Policyholders' Membership in the Deposit Insurance Scheme to include Admission and Administration Processes
- Policyholders' Financial Performance and Condition Monitoring and Risk Assessment
- Review and Assessment of Macroeconomic Developments for Enhanced Policyholder Risk Assessments
- Economic and Market Analysis, Policy Research, and Development Supportive of the Proactive Delivery of Depositor and Stakeholder Value on a Sustainable Basis
- Recommend Credible Coverage Limits and Scope of Coverage Based on Empirical Evidence, Standards of Best Practice and Depositor Expectations

❖ Financial Institution Resolution Management

- Financial Institution Resolution Framework, Development, Planning, and Management Supportive of the Objective of Financial Stability Within the Meaning of the Statutory Mandate of the Bank of Jamaica Provided for in the Bank of Jamaica Act

- Determining Valuation of Banking and Financial Institutions Assets for Financial Institution Resolution Decision Making Using Least Cost Approaches and No Creditor Worse Off Principles
- Development of Appropriate Lending and Guarantee Agreements to Aid the Implementation of Resolutions Options decided by the Resolution Authority
- Depositor Reimbursement/Payout Systems Effectiveness
- Liquidation Management
- Claims and Recoveries from Assets of Failed Policyholders to Aid in the Sustainability of the Deposit Insurance Fund and Minimization of the Need for Resort to the Use of Public Funds
- Asset Management and Management of Asset Management Vehicles
- Research and Policy Development for Effective Deposit Insurance Protections and other Financial Consumer Protection Schemes, Depositor Reimbursement and Resolution Management Frameworks and Systems

❖ **Deposit Insurance Fund Management and Adequacy Assessment**

- Deposit Insurance Premium Rate Assessment
- Deposit Insurance Fund Management and Adequacy Assessment based on Policyholders' Risk
- Investment Policy Development and Maintenance for Deposit Insurance Fund Optimization
- Treasury Management
- Securing Contingency Funding Arrangements

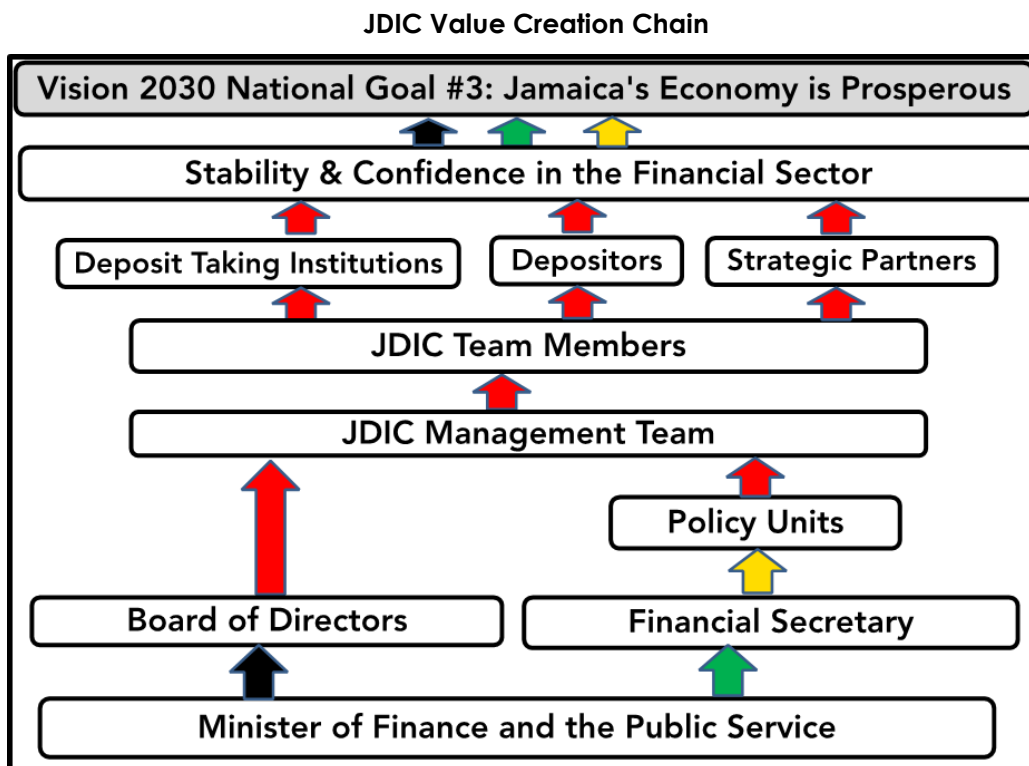
❖ **Promoting Public Education and Awareness to Aid Financial System Confidence and Financial Inclusion**

- Develop and Maintain the Appropriate Brand Identity of the Corporation as an Effective Deposit Insurer
- Develop and Implement Public Education and Awareness Programmes and Initiatives Based on Empirical Evidence of Stakeholder Segments and Needs and Consistent with International Standards of Best Practices
- Collaborate with FSSN Partners, Policyholders, and Other Key Stakeholders Under a Strategy to Promote Financial Literacy Among the Country's Youth Population in Particular
- Participate in the National Financial Inclusion Strategy as Developed Under the Auspices of the National Financial Inclusion Plan
- Develop and Maintain an Appropriate Board Approved Corporate Social Responsibility Policy and Practices

STRATEGIC PLAN

1.0 THE VALUE CREATION CHAIN

Developed against the background of JDIC's statutory objects and its broader mandate for contributing to financial system stability, the four-year *Strategic and Operational Plans* facilitates and supports this mandate consistent with *Jamaica's Vision 2030 National Development Plan's* Goal #3: *Jamaica's Economy is Prosperous*. The *JDIC Value Creation Chain* (shown below) depicts how the Corporation creates value for society and the critical links in this chain, as it delivers on its public policy objective to protect depositors' funds and contribute to stability and confidence in the financial system.



2.0 REVIEW OF MISSION, VISION, CORE VALUES – THE OPERATING ENVIRONMENT AND RISK ASSESSMENT:

- DETERMINING THE STRATEGIC THEMES (THE BUSINESS STRATEGIES) AND STRATEGIC OUTCOMES (THE KEY INITIATIVES)

The Corporate Plans and supporting budgets evolved around the relevant decided strategic themes and the corresponding outcomes that the Corporation must achieve if its mandate is to be met on a sustainable basis. This included a review of the operating and regulatory environment and the prudential condition of Policyholders; Enterprise Risk reviews, noting the high continuing human capacity risk in particular; a SWOT analysis; and the development of commensurate planning assumptions. These reviews indicated that, despite the rapidly changing operating and regulatory environment and the potential impacts on Policyholders' performance and condition, the Corporation's Mission and Vision remained relevant, while the *Core Values* were updated to better articulate the required commitments for the highest levels of professionalism and performance of the Corporation's staff.

With the corporate objects and mandate of the Corporation remaining substantially unchanged, the Strategic Themes (from the previous periods), around which the required outcomes are designed, remain valid and, therefore, will continue to be pursued during FY2024/25 – 2027/28. These Strategic Themes are:

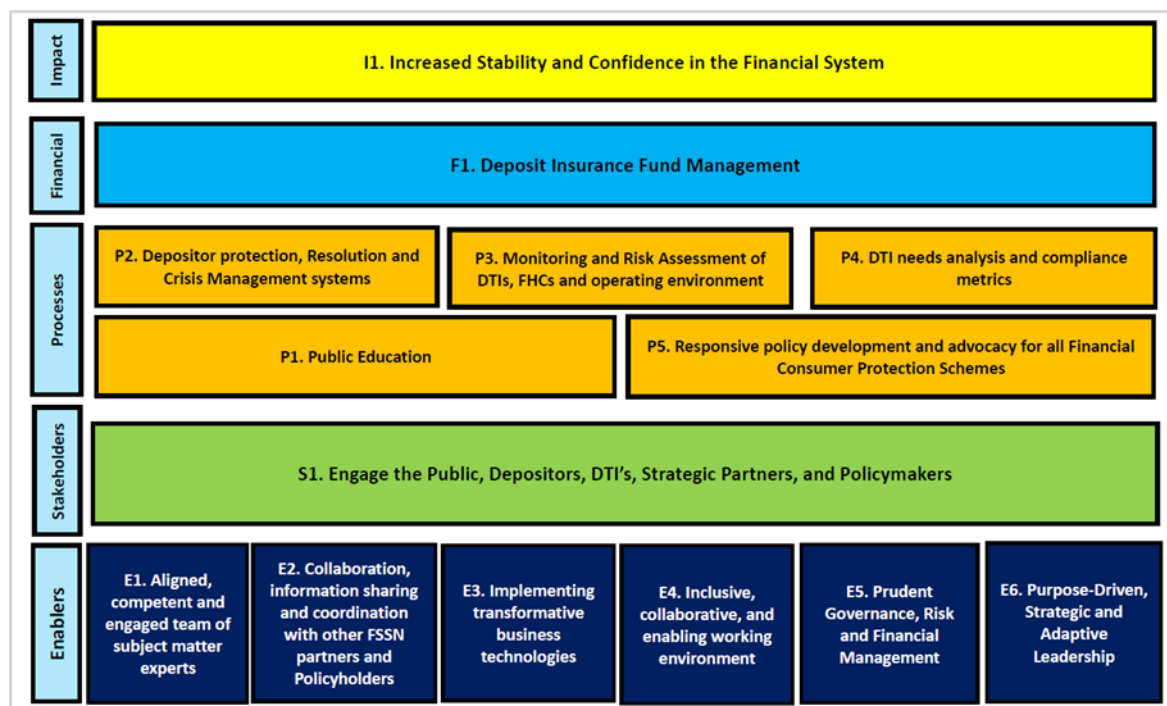
- (i) *Proactive Readiness and Resolution Management*
- (ii) *Strong Partnerships*
- (iii) *Public Education and Awareness*
- (iv) *Leveraging Information and Communication Technology for Operational Efficiency*
- (v) *Building Sustainable Human Resource Capacity and Change Competency*

Of note, the Strategic Themes are also aligned to the Balanced Scorecard methodology (recommended by the GOJ for MDAs), where there are four (4) *Perspectives* under the following headings: Customer and Stakeholder; Internal Processes; Organizational Capacity – Learning and Growth; and the Financial Perspective. In respect to the Customer and Stakeholder Perspective the Corporation's Strategic Themes are: *Proactive Readiness and Resolution Management*, *Strong Partnerships* and *Public Education and Awareness*. In relation to the Internal Processes Perspective the Corporations Strategic Theme is *Leveraging Information and Communication Technology for Operational Efficiency*. In regard to the Perspective of Organizational Capacity – Learning and Growth,

the Corporation's Strategic Theme is Building Sustainable Human Resource Capacity and Change Competency. In relation to the Financial Perspective, the Corporation's Strategic Theme is Management of the Deposit Insurance Fund.

3.0 JDIC STRATEGY MAP

The Strategy Map, depicted below, shows the cause-and-effect linkages from a bottom up (or platform or substructure) approach, identifying key *Enablers* (organizational capacity) and *Processes* (inputs of the strategy) that *Impact* the Corporation achieving its *Mission* (outcomes of the Strategic Themes).



To successfully achieve the Strategic Outcomes (or Key Initiatives), classified as “mission critical and imperative”, the Corporation identified supporting *Key Performance Initiatives (or outputs)* set out in the Corporate Scorecard (Refer Section B) depicting the 4-year period of the Corporate Plans and Budgets FY2024/25 - FY2027/28. These, together with the Corporation's statutory reporting obligations, form the basis on which corporate performance will be measured on a periodic basis throughout the planning period. In addition to the Strategic Outcomes, the Operating Plans of the Corporation for the same period include on-going initiatives that are classified “mission developing and enhancing”.

Some of the imperatives advising Strategic Outcomes/Key Initiatives are as follows:

- i. Public policy objectives of the Deposit Insurance Scheme are reflected in the Corporation's statutory objects. Emerging developments and trends in the international and domestic economies; the operating environment of Member Institutions (Policyholders); and financial system regulatory enhancements impact how the Corporation ensures it meets its public policy objectives and mission, as these factors fuel the expectations and impact behaviours of users and providers of financial services in Jamaica and the commensurate regulatory responses;
- ii. Member Institutions' rapid business innovations continue to be driven by enhanced technology, particularly in the development of new products and delivery channels with BigTech, FinTech and Artificial Intelligence, increasing both competition and risk;
- iii. Member Institutions' operating environment and performance are also impacted, given increasing global, economic and market volatility;
- iv. The Corporation's operations are appropriately 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 for Effective Banking Supervision*;
- v. The enhancement of the crisis management and resolution framework for financial institutions in Jamaica (now subject to FRC work related to a Special Resolutions Regime for non-viable financial institutions in Jamaica), is a critical component for financial stability and minimization of costs of financial crises;
- vi. Enhanced collaboration and cooperation continue to be required among FSSN partners and regional and international counterparts in relation to financial system stability; financial system regulation; and crisis management and planning;
- vii. The initiatives under the Corporation's public education and awareness programme and the Financial Inclusion Strategy for the country (as supported by empirical evidence);
- viii. Development of the Corporation's human resource capacity under a discrete strategy will ensure sustainability of the JDIC Mission into the longer-term;
- ix. Strengthening the Corporation's infrastructure capacity, including implementation of a digital transformation strategy, data protection and records management system, disaster recovery and business continuity for operational efficiency.

3.1 PROACTIVE READINESS AND RESOLUTION MANAGEMENT

In a rapidly changing economic and Policyholder operating environment, the Corporation must maintain its operations in a state of readiness in order to carry out its mandate to protect depositors and contribute to financial system stability. Therefore, the Corporation continuously strengthens its capacity to monitor Policyholders' risk, and effectively resolve a Policyholder and/or promptly provide depositors with access to their insured deposits if a Policyholder becomes non-viable.

In keeping with the DIA, the Corporation is required to reimburse insured depositors up to a prescribed maximum where their bank fails and to act as liquidator/trustee for any Policyholder, or its holding company or subsidiary; arrange for restructuring/ resolution of a non-viable Policyholder; and provide financial assistance to effect decided resolution options. The Corporation continues to work closely and synergistically with FSSN partners (BOJ, FSC, MoFPS) and through the Financial Regulatory Committee (FRC) participates in multi-agency financial crisis preparedness initiatives 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 taxpayers' exposure to loss and maintaining continuity of their vital economic functions. The enhancement of the resolution framework for financial institutions in Jamaica, in keeping with the proposals in the draft *Financial Institutions Resolution Act* (the Draft FIRA), is in line with the international best practice standards, and is one of the targets under the GOJ economic reforms and a key initiative to be implemented during the planning period.

Key Initiatives Supporting this Strategic Objective:

- ***Strengthen the JDIC Resolution Management Framework and Resolution Readiness***

The strengthening of Jamaica's resolution framework concurrently demands that the Corporation ensures its internal resolution policies, processes and systems are adequate. Legislation to be passed during the planning period include a proposed Financial Institution Resolution Act (FIRA) and the Credit Unions (Special Provisions) Act (CUSPA). These legislation will see a clarified and expanded role for JDIC in the resolution of non-viable financial institutions. The admission of credit unions to the DIS requires the review of the Corporation's legal and operating framework to ensure nuances associated with resolving cooperatives are adequately incorporated. The passing of the CUSPA will also significantly

increase the membership of the DIS² resulting in a larger pool of entities to be included in the planning and coordination of resolution readiness initiatives.

Under the proposed FIRA, the BOJ will be explicitly designated the Resolution Authority and the JDIC designated Resolution Administrator with the ability to exercise its existing powers under the DIA. The proposed FIRA also includes provision for the establishment of a Resolution Fund which can be applied in the administrative resolution of non-viable financial institutions. If a policy decision is made to establish a resolution fund, the JDIC will be the competent authority assigned to manage the fund.

In support of this initiative, several activities are being conducted and will continue in the planning period, as follows:

- i. Make proposals for any additional legislative amendments to the DIA subsequent to the tabling of the draft FIRA, to ensure alignment with the FIRA.
- ii. Operationalise JDIC's role as trustee/ liquidator in resolution and to act as resolution administrator.
- iii. 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.
- iv. Finalise the rules to safeguard the use of the DIF in resolution.
- v. Promote depositor and the public awareness related to the understanding and transparency of JDIC's role in resolution.

- ***Review and Operationalization of the National Financial Crisis Preparedness and Management Plan (Subject to the FRC Schedule)***

The National Financial Crisis Preparedness and Management Plan (NFCMP/the Plan) was developed in 2015 by the member agencies of the FRC under an IMF Technical Assistance Programme. The Plan includes a compendium of policies and procedural documents that provide operational guidance for the respective inter-agency activities, cooperation and information sharing among the member agencies during a financial crisis. Additionally, the Plan complements the FRC MoU among its members, and their respective crisis management playbooks (i.e. financial crisis management and contingency plans).

² As of September 30, 2023 there were 25 credit unions in Jamaica.

In keeping with the scope and timetable agreed by the FRC multi-agency technical working group (TWG), tasked with the review of the National Financial Crisis Preparedness and Management Plan, agencies are required to develop a crisis management playbook, using a standard format, and incorporating elements of their previously developed agency specific crisis management and contingency plans. During the planning period, the JDIC will finalize its *Crisis Management Playbook* and provide technical inputs in reviewing the other agencies' Playbook; update the NFCMP to ensure alignment with agency specific plans and international best practice standards; and also participate in multi-agency simulation exercises to test and operationalise the Plans.

- **Implementation of Final Phase of Policyholders' Standard Recordkeeping Guidelines and Supporting Compliance Framework**

Standardization of the recordkeeping requirements for all Policyholders ensures the Corporation can, in a timely manner: pay out depositors (liquidation); provide access to insured deposits consequent to a purchase and assumption transaction or establishment of a temporary bridge bank³; aid in an administrative resolution option and make projections for least cost analysis in relation to non-viable financial institutions. The initiative seeks to ensure that the information needs of the Corporation such as individual customer data, deposit and loan account data, as well as details relating to Policyholder Institutions' reference tables, product and branch information, accounting and banking information systems, corporate data and ownership structure are all maintained in a consistent manner across all Policyholder Institutions and in alignment with the Corporation's internal systems for depositor reimbursement. The *IADI Core Principles* and the *FSB Key Attributes* advocates that the authorities should have the power to request Member Institutions to maintain information in a standard format. Additionally, authorities should have unimpeded access to Member Institutions' information in both normal and crisis periods.⁴

The Corporation therefore continues to work on initiatives to aid in promoting compliance by Policyholders with JDIC issued recordkeeping requirements. Policyholders' Standard Recordkeeping Guidelines and supporting Compliance Framework was initially issued in 2012 for implementation in 2014. The Guidelines was subsequently revised and reissued for implementation in 2015⁵. In keeping with the requirement of the Guidelines, Policyholders have been submitting the status of their annual self-assessment of compliance and action plans, due April 1 each year, to address areas of non-compliance.

³ Where such resolution strategies and terms and conditions of the transactions are limited to the assumption or transfer of insured deposits only.

⁴ Refer also the IADI Enhanced Guidance for Effective Deposit Insurance Systems: Reimbursement Systems and Processes, November 2012

⁵ The Guidelines may be accessed on the JDIC's website: https://www.jdic.org/files/page-attachments/guidelines_on_the_record-keeping_requirements_for_all_jdic_policyholders_rev_april_30_2014.pdf

The Corporation has also conducted pilot exercises with two Policyholder Institutions to facilitate the testing and refining of the Compliance Framework, however, the findings highlighted several gaps in the level of compliance. Against this background, a consultant was engaged during FY2023/24 to assist with the review of the Guidelines and the Compliance Framework, deliver sensitization sessions to Policyholders, and conduct compliance testing pilot exercises with select Policyholders. This exercise will continue into FY2024/25, with the development of a revised Policyholder's Standard Recordkeeping Guidelines and supporting Compliance Framework.

Of note, the implementation of the revised Guidelines and Compliance Framework are contingent on the promulgation of legislative amendments to ensure JDIC has the express power to access Policyholders' data and that a robust ICT infrastructure is in place to manage information security risk and protect depositors' data, including compliance with the *Data Protection Act*.

- **Engage Member Institutions, Professional Intermediaries, Nominees and Trustees to Increase Awareness on the Recordkeeping and Disclosure Requirements for Separate Deposit Insurance Coverage for Beneficiaries**

The DIA recognizes the beneficiaries of trust and nominee accounts as depositors entitled to separate deposit insurance coverage under the DIS, with each beneficiary insured up to the prescribed coverage limit separately from the other deposits that are held by the beneficiary in other deposit account categories and other trust and nominee arrangements.

The Deposit Insurance (Joint, Trust and Nominee) Regulations, gazetted in 2015 includes rules for the disclosure and recordkeeping requirements for all parties to trust and nominee accounts. Policyholders, professional intermediaries, trustees and nominees must comply with these rules for the respective beneficiaries to be so recognized.

The Regulations also provide that the Corporation shall not separately insure the deposits maintained by a trustee or nominee for a beneficiary if the necessary disclosure and recordkeeping requirements are not met. Frequent queries and other communication received from Policyholders suggest that there is need for increased awareness of Policyholders, trustees and other professional intermediaries and the beneficiaries of these accounts about the coverage rules and recordkeeping and disclosure requirements for trust and nominee accounts and the professional intermediaries. This will also seek to clarify depositors and other stakeholders' expectations in crisis periods. In this regard appropriate strategies will be developed to increase awareness and incorporate in the Public Education and Awareness Strategy to include the hosting of public forums and webinars. Guidance to assist

professional intermediaries to comply with the Regulations will also be developed as part of the scope of work to revise the Policyholders Standard Recordkeeping Guidelines and supporting Compliance Framework.

- **Credit Union Admission to the Deposit Insurance Scheme**

Amendments to the CUSPA, to bring credit unions under the supervisory ambit of BOJ prudential regulations, continue, with expectations for tabling in the upcoming financial year. As such the JDIC continues to undertake several initiatives in preparation for the mandatory admission of credit unions to the DIS⁶, once they are licensed by the BOJ. Integral to these initiatives is the continued strengthening of the relationship with the JCCUL through information sharing, collaborations and coordination on initiatives. In 2015, comprehensive research was conducted by the JDIC to inform the drafting of the proposal detailing the design features of the DIS specific for the credit union sector. The proposals were shared with the JCCUL which, by letter dated November 2018, agreed in principle to the design features on behalf of their members. The design features were also shared with the BOJ (as Supervisor of DTIs), and the MoFPS. The specific design features relate to: (i) the initial and annual premiums to be levied in order to establish the fund for the credit union sector⁷; and (ii) the coverage limit and scope of coverage. Given the passage of time, in FY 2023/24 the Corporation commenced a comprehensive review of the proposed design features of the DIS to ensure they remain relevant. The initiative will be completed in FY 2024/25 and where there are changes these will be shared with stakeholders.

The Corporation's collaboration with the JCCUL and BOJ will also continue in an effort to further develop the knowledge base of credit union operations; and conduct current assessments of the financial conditions of individual institutions, and the reporting standards for the sector to facilitate the continued build-out of the discrete structures and frameworks for, Member Institution Risk Assessment and Compliance, Resolution, Crisis Management and Depositor Reimbursement. This is in anticipation of the admission of credit unions to the DIS and against the background that although credit unions and banks offer a number of similar products and services, there are some unique features of credit unions that distinguish them from banks, including their objectives, business model and ownership structure. As such the resolution options for a credit union are not in all instances the same as those available for the resolution of banks. Information garnered is being used to identify the distinct differences that may require legislative amendments to the DIA and revisions to the monitoring and risk

⁶ In 2018, the JDIC and JCCUL reached an agreement regarding the acceptance of the design features, in particular the proposed initial and annual premium rates.

⁷ Of note, the IMF Financial System Stability Report dated October 2018, suggests that an agreement should be reached to incorporate the current credit union stabilization fund to the deposit insurance fund for the sector, however no agreement has been reached with the .

assessment framework, resolution and depositor reimbursement policies, procedures, and systems. This initiative includes several activities for the planning period as follows:

- i. Update the proposal of the design features for the admission of the sector to the DIS;
- ii. Finalize the building-out of a risk assessment framework for credit unions;
- iii. Review the appropriateness of the initial proposed target fund reserve ratio for the sector vis-à-vis the potential risk of the sector;
- iv. Continue research on the credit union sector to ensure the JDIC is *au fait* with the structure and nuanced operations of the sector;
- v. Maintain dialogue with the JCCUL managers, and members of the Implementation Team⁸, with a view to facilitate mutual exchange of knowledge transfer between the JCCUL and the JDIC;
- vi. On-going review to treat with any nuances in the CUSPA relative to the DIA;
- vii. Continue to contribute to the development of the Resolution Framework for the sector.

- **Deposit Insurance Fund Adequacy Evaluation (DIFAE) and Target Reserve Ratio**

Section 17 (4) of the DIA provides that *"The Corporation shall from time to time, but in any event, not less often than once each year, review the size of the Fund having regard to its liabilities and potential liabilities, and taking into account the advice of duly qualified professionals..."*.

For this corporate planning period, the timing to conduct the evaluation of the DIF will be adjusted to coincide with the beginning of the fiscal year. The evaluation is conducted on data as at December 31st of each year. The findings and recommendations will be shared with the COM by mid-May and thereafter Board of Directors. This initiative is critical to informing the Corporation with regards to its liquidity needs, to cover its operating and capital expenditures as well as to treat with any cost to cover any initial resolution expenses, should it be necessary. Given the dynamism of the operating and economic environment, a second evaluation of the DIF will be conducted at mid-year on data as at June and the findings and recommendations released in November. The mid-year review will determine any material change to the financial positions of the MIs and test the currency of the annual liquidity recommendation.

The Corporation will continue to use the Credit Risk Equation to determine its liquidity needs and the Modified Ciak Model to periodically test the currency of its Target Reserve Ratio (TRR) in keeping with

⁸ An Implementation Team was established in 2019, between the JDIC and the JCCUL, to treat with issues relating to the admission of the credit union sector to the DIS in a seamless manner.

the changing market and operating environment, taking into consideration the recommendations of IADI and other standard-setting bodies. This exercise will also be conducted in the first quarter of the fiscal year and the findings and recommendations implemented accordingly on the approval of the COM and the Board, as required.

- **Review of the Scope of Coverage and the Coverage Limit**

The scope of coverage and the deposit insurance coverage limit are reviewed periodically to ensure they remain credible, taking into account depositor expectations and international standards. The scope of coverage, as set out in the DIA, was reviewed and updated in 2015 and regulations to clarify the categories of deposit account ownership were brought into law with the Joint, Trust and Nominee Account Regulations made under the DIA. The coverage limit was last reviewed in 2020 and was increased on August 31, 2020 from \$600,000 to \$1,200,000 per depositor, per Member Institution.

The review of the scope of coverage takes into consideration product innovations by Member Institutions, changes in depositor and product profiles and the product registers of the MIs along with product developments and coverage rules in other jurisdictions. Member Institutions continue to create more innovative products to remain competitive and to facilitate financial inclusion. Additionally, consistent with the prior planning period's launch of the Central Bank's Digital Currency, Jamaica Digital Exchange (JAM-DEX) by the BOJ, in support of the government's drive for financial inclusion and digitization of the economy, and the ongoing strategic efforts of the DTIs to digitize their operations, numerous institutions are innovating and developing products, including digital ones, to meet the rapid dynamics of the current era.

Based on the foregoing, it is necessary for the Corporation to review its scope of coverage to ensure the full understanding of those digital products that may come within the definition of a deposit. In FY2022/23, the Corporation conducted a survey of the products offered by Member Institutions and the credit union sector to assess the need to expand or adjust the scope of coverage based on the profile of deposit products in the system. Based on the findings of the survey, this initiative will be further expanded to include research on the scope of coverage related to products specifically designed for special interest groups such as pensioners, small and medium-sized enterprises, persons saving to purchase a home, and differently abled persons, which could be considered for separate coverage. Consequent to the review of the scope of coverage, the Corporation's coverage rules will be amended and legislated as appropriate.

- **Review of the Premium Assessment Rate**

Annual premium paid by Member Institutions is the main source of funding of the Deposit Insurance Fund towards achieving the Target Reserve Ratio. Other factors impacting the growth of the Fund are interest rates in the market and the movement of the exchange rate. The review of the premium assessment rate (presently 15 basis points of insurable deposits) is done periodically and takes into consideration the desired rate of growth of the DIF, the funding needs of the Corporation, premium assessment base, as well as Member Institutions' financial performance and their ability to fund any change in the premium rate. Additionally, and critical to the appropriateness of the premium assessment rate is the attainment of the TRR. The annual DIF Adequacy Evaluation conducted in FY2023/24 projected that the lower limit of the TRR at 8 per cent would be attained in FY2028/29, and the upper limit of 10 per cent in FY2032/33. As of September 2023, the DIF ratio was 6.6 per cent.

Based on the foregoing, the Corporation will review the premium assessment rate in year 3 of the planning period (FY2026/27) or earlier if there are material changes to the factors that impact the growth of the Fund. The review of the premium assessment rate will include the assessment of the economic, operating, and regulatory environments, risk profile of Member Institutions and any potential financial impact on individual Member Institutions and the banking system as a whole. The review will also take into consideration the practices of other Deposit Insurers and best practice standards when the TRR is attained, and recommendations will be made to the COM, the Board, and the MoFPS regarding any proposed revisions to the premium assessment rate and TRR levels, if necessary.

- **Development of a Compliance Framework to Monitor Members of the DIS**

The Corporation continues to ensure that all Members of the DIS remain compliant with the Policy of Deposit Insurance, and other requirements detailed in the DIA, DIA regulations and supporting rules and guidelines issued by the Corporation. In keeping with the monitoring, risk assessment and resolution functions, and against the background of the imminent expanded membership in the DIS (credit union sector) and JDIC's expanded role in resolution, the development and implementation of a robust internal compliance framework will commence during the first year of the planning period.

The compliance framework will also incorporate a single view of each Member Institution's level of compliance by aggregating information from various sources. It will enable authorized officers to access information at a central point, facilitating the preparation of management reports and decision making. The implementation of the MIBIS and the electronic RIMS will support aspects of the compliance framework. This initiative will also seek to identify any gaps in the current compliance and reporting requirements for MIs, and JDIC information needs that should be legislated as well as a review

of the legal penalties that could be applied to non-compliant MIs. A key consideration will include researching the appropriateness issuing rules to mandate specific disclosure requirements by MIs about the DIS.

3.2 PUBLIC EDUCATION AND AWARENESS

Public education and awareness have been a key business strategy (strategic theme) for the Corporation from its inception. 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 “*In order to protect depositors and contribute to financial stability, it is essential that the public be informed on an ongoing basis about the benefits and limitations of the deposit insurance system*”. An informed public makes better choices when accessing financial services and has 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 its Member Institutions and the other key stakeholders including 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 hence its membership on the National Financial Inclusion Strategy (NFIS) Committee and the NFIS Consumer Protection and Financial Literacy Capability working group.

The public education programme also focuses on students at secondary schools facilitated through presentations and various competitions, and more recently primary schools with the launch of its financial education book for children ages 8-12, to be promoted and distributed during year 1 of the planning period.

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 continue to be enhanced during the planning period. Of note, public awareness surveys conducted by the JDIC indicate that traditional media remains the most impactful with television being the main medium through which persons access information about the JDIC (74% in FY2022/23). Presentations are also made to private and public sector organizations. These initiatives will continue during the

planning period.

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

Key Initiatives Supporting this Strategic Objective:

▪ Develop E-Learning Training Platform for Member Institutions

As 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 to ensure accuracy in the information being shared with depositors and other customers. During the planning period the Corporation will develop an e-learning platform to further educate Member Institutions' staff, which can be accessed at their convenience. This platform will serve to complement the present face-to-face and virtual training workshops. Many DIs use similar platforms, including, in the region, the DIC Trinidad and Tobago.

▪ Promote the Deposit Insurance Scheme and Financial Literacy in Schools

The Corporation's schools' programme focuses on students at the primary and secondary levels and is an integral part of its public education strategy. Students have been invited, and have participated in several initiatives, including essay and poster competitions, a webpage design, and a web-based android financial education competition in the form of a game.

To engender financial literacy from an early age the Corporation continues to craft a comprehensive schools' programme. This programme will include the use of social and print media, hosting of competitions, as well as presentations to schools and other educational institutions.

3.3 STRONG PARTNERSHIPS

Contributing to financial stability is the ultimate objective of the Corporation. As such building and maintaining strong partnerships with FSSN partners and other key stakeholders is critical. This facilitates and allows for the timely sharing of 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. The

Corporation therefore continues to strengthen partnerships with the FSSN, Policyholders, the IADI and its members⁹, regional and multilateral bodies. This provides for cooperation and information sharing on the design features and principles for deposit insurance and other financial consumer protection schemes, experiences of deposit insurers, 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. Key financial sector reforms to be legislated and implemented during the planning period that will result in JDIC's expanded mandate in resolution an increased membership in the DIS, will require a comprehensive review of the existing legal and operating structures for information sharing and collaboration between the JDIC and the BOJ, FSC and the MOFPS. These reforms include the introduction of the FIRA; CUSPA and the introduction of the Twin Peaks Regulatory Model for the financial sector. The latter of which includes proposals for the reconstitution of existing statutory committees. Collaboration with Member Institutions also remains a priority 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.

The Corporation will continue its active 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.

Key Initiatives Supporting this Strategic Objective:

▪ Strengthen International Collaboration – Participate in the IADI Initiatives

The Corporation remains an active member of the IADI, contributing to the work of the Association towards achieving its mandate as an international standard setting body, while building its own institutional capacity. This is achieved through the Corporation's membership and active participation on several IADI committees, including the Executive Council⁹, Council Committee, Technical and Research Committees, and the Caribbean Regional Committee (CRC). The Corporation's officers also participate in, and make presentations at, conferences, training sessions and webinars. The Corporation's scope of involvement in the IADI will therefore remain intensive and will require conducting research to provide technical input; collaborating with other member agencies; and coordinating activities required to effectively represent the regional interests and common issues through the sharing and exchange of information and ideas. The CRC

⁹ IADI members include deposit insurance organisations globally.

membership currently comprises four members and two associates. The overall membership of the IADI includes 95 member organisations, 11 associates, and 17 partners.¹⁰

As part of strengthening human and institutional capacity, the Corporation encourages staff participation at IADI conferences, seminars and technical assistance workshops. Participation in these activities has proven valuable and contributes to building confidence in the DIS and reputation through networking and sharing of information and expertise with other DIOs, other IADI members and international organizations.

- ***Deliver Regional Training/Seminar for IADI Members and CARICOM Member States***

In FY2024/25 and subject to the approval and part sponsorship of the IADI, JDIC will deliver an IADI knowledge event (technical assistance workshop and/or seminar) on deposit insurance and related themes for regional IADI members and members of CARICOM. This initiative will facilitate the direct interactions, engagements, sharing of knowledge and experiences among subject matter experts and officers of other DIOs and FSSN partners. It will also contribute to building stakeholder partnerships and provide a platform for strengthening cooperation, coordination and information exchange domestically and regionally. Officers of the JDIC, BOJ, FSC will be invited to participate in the training.

3.4 LEVERAGING INFORMATION AND COMMUNICATION TECHNOLOGY FOR OPERATIONAL EFFICIENCY

Under this strategic objective of *"Leveraging Information and Communication Technology for Operational Efficiency"* the Corporation will implement its *"Digital Transformation Strategy"* (DTS). The Strategy includes a comprehensive Digital Transformation Plan, to be implemented commencing in year 1 of the planning period into the medium term. This key initiative will strengthen the Corporation's capacity to effectively achieve its objectives in collaboration with its Member Institutions, FSSN partners and other key stakeholders, as digitization of their own operations accelerates; and supports the thrust of the GOJ to put digital transformation at the forefront of national development. Cognizant of the opportunities for technological improvement, the Corporation is committed to ensuring the appropriate framework is in place for the continued digital transformation to optimize operational efficiency, particularly against the background that timely information exchange with stakeholders, data storage, integrity and security, are mission critical and imperative to continued achievement of its mandate.

The *Digital Transformation Plan* includes technology solutions to improve the Corporation's business processes and operational efficiency throughout all functional areas, with focus on: Member Institutions' monitoring, risk assessment and compliance; resolution and depositor reimbursement, 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. The objective is to

transition the Corporation from a state of being digitally engaged to being digitally matured. The success of this Plan will be driven by the support of management, key resources engaged, change management, and cultural change.

The Corporation is in the process of strengthening its resource capacity to assure the achievement of the DTS. This includes the onboarding of key resources such as a Chief Information Officer (CIO) with the responsibility to drive the implementation of the DTS Plan, a Project Manager with the responsibility for managing projects within scope and budget and a Business Analyst with the responsibility for research and development of business systems and automation outcomes. In addition to these resources, the following steps as recommended by the DTS Plan will be fulfilled by Q1 of FY2024/25: establishment of a Transformation Steering Committee; creation of a robust Change Management Plan.

Below, the **Digital Transformation Strategy Roadmap** shows the key initiatives identified and prioritized to support the respective business functions of the Corporation. The scope, schedule, deliverables, and resources for each initiative are explained in the Operational Plans.

Strategy	Initiative Owner	Task Description	Task Duration	Start Date	End Date
Agile/Digital Organisation	FCS/HR	Agile, Data Mgt, Innovation, Change Mgt training	1461	April 01, 2024	April 01, 2028
	FCS/MIS	Updating ICT Governance Structure - Engagement of Chief Information Officer, Project Mgt. Services, and Business Systems Analyst	1552	January 01, 2024	April 01, 2028
	FCS/MIS	Work mgt. Application	366	April 01, 2027	April 01, 2028
Customer/ Stakeholder Value	IRIR	Crisis Management Online Database/ Repository	182	October 01, 2024	April 01, 2025
	IRIR	Deposit Insurance Payment Disbursement Methods - Online Disbursement	1095	April 01, 2024	April 01, 2027
	IRIR	Policyholders' Record Keeping Guidelines and Compliance framework review, updating and implementation	1461	April 01, 2024	April 01, 2028
	CPC	Policyholders' Training Online Programme	365	April 01, 2024	April 01, 2025
	CPC	Crisis Website/Portal (Dark Pages)	365	April 01, 2025	April 01, 2026
	CPC	Website Update for Admission of Credit Unions	365	April 01, 2024	April 01, 2025
	IRIR	Payout Management Information System (PMIS) enhancement and medium term development plan	730	April 01, 2024	April 01, 2026
	IRIR	Implementation of the PMIS Medium-term development plan	1461	April 01, 2024	April 01, 2028
Efficiency/Auto	FCS/R	Investment Software acquisition and implementation	365	April 01, 2024	April 01, 2025
	CPC	Reputation & Brand Management Tool using cloud solution that leverages Big Data, AI to canvas stakeholder on various internet platforms for their opinions or impressions of your image/ brand/message for adjusting messaging strategy	364	April 01, 2025	March 31, 2026
	FCS/HRA/RIM	Enterprise-wide Records and Information/Documentation Management System	713	April 18, 2025	April 01, 2027
	MRA/IRIR/MIS	Automated On-line Research and DB Repository	365	April 01, 2025	April 01, 2026
	CPC	Online Design and publishing tool with Analytics	365	April 01, 2024	April 01, 2025
	FCS/HR	Library Digitization	730	April 01, 2024	April 01, 2026
	FCS/R	ERP Acct/Invest/Payroll/MYIBPlus/PMIS Integration	364	April 01, 2026	March 31, 2027
	FCS/R/IRIR	Electronic Document Mgt. System - Accounts payable	365	April 01, 2024	April 01, 2025
Security	LEGAL/MIS	Privacy Audit (Legal & Technical), Gap Analysis	365	April 01, 2024	April 01, 2025
	LEGAL	Develop, establish and implement a Data Protection Framework, (including Registration) (2 years)	61	April 01, 2024	June 01, 2024
	FCS/MIS	IT Security posture assurance	365	April 01, 2024	April 01, 2025
Use of data	IRIR/MRA/MIS	Development of an over-arching Corporate Data strategy to guide the data projects prioritisation	365	April 01, 2025	April 01, 2026
	MRA/IRIR/MIS	MIBIS Implementation	365	April 01, 2026	April 01, 2027
	MRA/IRIR/CT	MIBIS Real-time Datahub	366	April 01, 2027	April 01, 2028

Other Key Initiatives Supporting this Strategic Objective:

- **Conduct ICT Infrastructure Security Audit**

The existing information technology infrastructure consists of a mixture of physical and virtualized servers, as well as cloud-based systems and services that use Microsoft and Linux operating systems. During the planning period as part of the Corporation's continuous review and enhancement of its ICT infrastructure scheduled security audits will be conducted to assess the any existing vulnerabilities in its networks, connected devices, and applications. The audits will also highlight any gaps and the opportunity to fix security loopholes and achieve compliance with industry standards and meet business needs.

- **ICT Security Posture Assurance**

ICT security plays an important role in protecting the information assets of an organisation. Managing information security within any organization can be a very complex task. It is of utmost importance that the Corporation practices proper ICT Security to protect its information assets, execute its mandate and functions and protect its reputation. As such, the Corporation is committed to ensuring that its ICT environment is in a state of readiness to adapt to the emerging technologies and mitigate any threats in the industry. In FY2023/24 the Corporation completed the update of its Information Security Policy. The review sought to ensure that the policies, standards and procedures: protect the integrity, confidentiality and security of the Corporation's assets; provide guidance for employees and other key stakeholders and promotes compliance for staff; reflect and is responsive to current and emerging developments in the legal and operating environment; incorporate internationally recognized standards; and safeguard against existing and emerging threats.

The Corporation will be conducting an information security posture assessment to commence in FY2025/26. The security posture assessment will seek to build a baseline view of the JDIC's security capabilities. The proposed methodology will integrate security best practices and standards to define an assured Information Security Categorization. From this point, an assessment process will be performed, providing evidence that the information security within the Corporation is thoroughly managed.

- **Upgrade Level of Resilience and Monitoring of ICT Infrastructure**

While the organisation has embarked on a programme of upgrading its ICT systems and services to improve efficiency and remove points of latent failure, continuous review of all systems is required to

ensure that vulnerabilities which can create unwanted and costly business interruption, are identified and remedied. Current monitoring strategies will be enhanced further by implementing specialized environmental monitoring technology. Automated real-time monitoring of the environment will be used to help detect and remedy potential issues in a timely manner and reduce possible business outage. The assessment and upgrading of the ICT infrastructure will also ensure adequacy of the environment to support the key initiatives identified as part of the Digital Transformation Roadmap.

The upgrading of the resilience and monitoring provides the following benefits:

- Removes single points of failure for key components of the ICT infrastructure
- Provides higher levels of real-time monitoring and issues alerts
- Aids proactive resolution through the monitoring of precursors to larger issues
- Extend management of the infrastructure by policy
- Increase resource productivity reduced time

- **Enterprise-Wide Adoption of Collaboration Tools Programme**

The Corporation has made investments in cloud-based collaboration tools such as Microsoft 365 Suite as part of its strategy to modernise and improve operational efficiency. The collaboration tools, however, will not produce the desired results unless there is clear understanding, hands-on knowledge and adoption by staff using the tools in their day-to-day activities. As with any transformation process, change must be driven and requires a sustained programme with constant feedback and support to be successful. The MIS Section along with key influencers will be developing and implementing a programme to create the necessary levels of adoption and transformation using Microsoft 365 tools and ensuring that the Corporation has the right plan in place that offers the requisite tools to improve our collaboration, capabilities and efficiency.

- **Develop an Enterprise-Wide Data Strategy**

The enterprise-wide data strategy roadmap is developed based on an organization's overall vision and objectives for the business. It describes how an organization would acquire, integrate, store, secure, manage, monitor, analyze, operationalize, and monetize data using various methods, services, processes, and architectures. It identifies the current sources of data that exist and their condition. It can help to prioritise data initiatives-based level of requirements and timeliness of impact as well as preparations needed for more strategic projects like MIBIS. It also lists success criteria and key performance indicators (KPIs) for measuring the effectiveness of your data initiatives. In year one the

Corporation will develop an enterprise-wide data strategy being one of the key initiatives of its Digital Transformation Roadmap.

- **Implement the Payout Management Information System (PMIS) Medium Term Strategic Development Plan**

The PMIS was implemented in 2021 and has the capacity to determine insured deposits and provide depositors with prompt access to their funds, among other functionalities. During FY2024/25, the Corporation will commence the phased implementation of the Medium Term Strategic Development Plan to further enhance the functional and non-functional requirements of the PMIS. These enhancements will better support and optimize operational efficiencies for the following processes: premium payment verification, least cost resolution tests, resolution decision and preparatory activities for specific institutions while ensuring the adequacy and currency of the PMIS ICT infrastructure/technologies.

The PMIS also facilitates the disbursement of insured deposits to individual depositors. During the planning period, the Corporation will test and refine existing disbursement procedures as well as implement/ automate additional options for making depositor reimbursements. These include: (i) *Online Payment Disbursement to include CBDC*; (ii) *Insured Deposits Portfolio Transfer to a Viable Institution or Bridge Bank*; and (iii) *Use of Debit and Prepaid Cards*. Critical to the making of insured deposit payments electronically is ensuring the Corporation has adequate ICT infrastructure, policies and procedures to support the confidentiality, integrity and security of the data, and to also ensure compliance with the DPA.

- **Resolution Database Module of The Member Institutions' Business Intelligence Software – MIBIS Developed**

The maintenance and analysis of Member Institutions' data required for carrying out the Corporation's core functions and strategic decision making relating to monitoring, risk assessment and resolution will be centralized and automated. The range of discrete qualitative and quantitative historic and current Member Institutions' data, different data sources, format, security and need for more detailed data analysis have reinforced the need for centralization and automation. This is also underscored by the imminent expansion in the membership of the DIS upon the admission of credit unions resulting in a larger number of institutions for which advance resolution planning, data retrieval, data management and analysis activities are required.

The implementation of the solution will leverage the Corporation's existing ICT infrastructure and incorporate the information needs of the MR and the FCS Branches. The existing reporting formats, file structures and information systems established by the BOJ for receiving and analysing member institutions' data as well as the BOJ's plans to develop a central database to support consolidated risk-based supervision, will also be taken into consideration. The IRIR Section requires comprehensive data warehouse/ repository, data analysis and business intelligence tools to meet the information needs for resolution planning. Currently this information is maintained by the MRA and the IRIR Sections using Microsoft Excel and physical/paper files.

- **Implement Records and Information Management (RIM) Programme Consistent with GOJ Standards Preparatory to the Implementation of the Electronic Records and Information Management System**

The implementation of the manual Records and Information Management (RIM) Programme will be maintained with ongoing monitoring and evaluation as the Corporation moves toward implementing an Electronic Records Information Management System. The RIM implementation is scheduled for completion in March 2024 under the GOJ *Records and Information Management (RIM) Programme* managed by the Office of the Prime Minister (OPM), the Office of the Cabinet (OoC), and the Jamaica Archive and Records Department (JARD). Implementation of the Electronic RIM Programme will commence on completion of the Manual RIM Implementation Programme. This milestone includes implementation of the JDIC RIM Policy and Procedures Manual; development of a function-based Classification Scheme; development of a Records Appraisal System and the Retention and Disposal Schedule; and decongestion and destruction of physical records.

3.5 BUILDING SUSTAINABLE HUMAN RESOURCE CAPACITY AND CHANGE COMPETENCY

The strategy of "*Building Sustainable Human Resource Capacity and Change Competency*" underpins business continuity and focuses on implementing proper and transparent procedures for recruitment and retention, training and development, performance management, motivation, and employee engagement. This strategic framework will support treating employees as internal customers as a means of inspiring commitment to the mission and work of the Corporation. Meeting staff expectations, ensuring their inclusion and empowerment, while providing competitive financial and non-financial benefits promotes better performance while enhancing employee engagement. The Corporation aims to provide staff with a safe, collaborative, caring and enabling environment guided by occupational health and safety best practices.

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 promotes 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.

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.

Of note, training and development programmes will also be more tailored going forward with the incorporation of leadership development, leadership assessments and change competency to support the Corporation's succession planning strategy.

Key Initiatives Supporting this Strategic Objective:

- **Change Management Enterprise-Wide to Support Digital Transformation**

Preparation and engagement of staff is critical to the success of any Digital Transformation effort, and includes timely training, adaptation surveys and change management. Digital transformation at the JDIC will require a change in mindset and skill level of staff members, enabling the use of modern collaborative tools. This digital culture encourages the team to be innovators, with more agile staff manipulating data effectively. New office productivity tools and automation will bring drastic changes in the ways of working across the various operations and will need the active support of the Director HRA as a co-Change Champion Chair/Committee lead to manage these changes so that the impact on staff and productivity is a positive and optimal one providing a high return on investment on each system implementation and efficiency.

- **Digital Transformation of HR (MyHR+ Implementation) and Related**

An initiative started in FY2023/24, and which will continue in the planning period, is the implementation of MyHR+, a Human Resource Management Information System (HRMIS) which will incorporate self-service at the employee and manager levels. A GOJ initiative under the MoFPS Transformation Implementation Unit (TIU), MyHR+ will improve processing speed and empowerment for accessing HR services on demand, convert paper-based to paperless processes, while generating an impactful

culture change across the Corporation ahead of other digital transformation projects. MyHR+ will enhance human resource management functionalities, including employee data management, learning and development features and facilitate the integration of the payroll software. The Corporation was approved for MyHR+ implementation in 2023 and went live in November 2023 with the core HR module and Payroll functionality implemented and self-service training completed. The Corporation is actively working with the TIU to fully implement all modules.

- **Organizational Structure – Right-Sizing Establishment to Match Growing Scope and Complexity**

The Corporation's staff establishment for FY2023/24 is 44. The proposed establishment for FY2024/25 is 49 and will include key upgrades to strengthen the governance and productivity of the Corporation's team and the complexity of specialist areas, including records management, procurement, and investments. The following new posts will be added to the establishment (**refer Appendix 1**):

- **Operations and Technical Assistant (OTA)** - Monitoring and Resolutions Branch – this addition is a further enhancement to the previously approved increase in the establishment that supports 36 DTIs comprising the current 11 DTIs that are members of the DIS plus the impending addition of 25 credit unions. This new OTA will be needed to support the administration efforts to have a robust and comprehensive compliance framework, provide training and much-needed customer support and stakeholder engagement for the expanded membership in the DIS consequent to the licensing and supervision of the credit union sector by the BOJ.
- **Records Manager** – The need for this new post was determined through benchmarking with comparable organisations implementing the GOJ records management project in an environment that is also transitioning from paper-based to digital records. The guidelines for records management are specialised and need more subject matter expertise in-house to account for, maintain, store and manage paper-based, audio-visual and digital records in a changing work environment and transitioning to a more centralized RIM System. The Data Protection Act is also imposing changes on the Corporation, and it is important to put arrangements in place in year 1 of the plan to meet the widening scope. The role will initially report to the Director HRA. This enhancement of the project will allow the Corporation to move to a more centralized RIM system – removing some of the responsibility from the OTAs.



- **Investment Officer** – This is a new post needed to meet the expanding scope of the Corporation's core business. The Corporation seeks approval to convert the Senior Accounting Clerk role to Investment Officer. The post is filled and accounted for as a temporary post approved under the MyHR+ project.
- **Procurement Manager** – this new post is in keeping with the newly imposed public procurement standards and the need to have a separation of duties. The Procurement Manager will have oversight for the strategic direction of the Procurement Section, contract management and more complex procurement matters

Other organizational changes include:

- Post enrichment will also be pursued to improve the productivity of c-suite leaders , namely the Monitoring and Resolution branch, the Finance and Corporate Services branch Operations and Technical Assistants(OTAs) level positions and the General Counsel and Corporate Secretariat branch Legal and & Corporate Secretary by upgrading the Operations and Technical Assistants (OTAs) level positions reporting directly to the Branch heads to the Technical and Project Officer level, and where necessary amending the nomenclature.
 - Designation of the role for Data Protection Officer – This post is not envisaged to be a standalone role on the establishment in the first instance following registration of the Corporation. It will be added to the duties of a post already on the establishment and may be rotated.
 - Accounting for Temporary posts under the MyHR+ project to ensure continuity in the COM and Legal and Corporate Secretarial function. These roles are the Legal Advisor and OTA in the CEO's office.
- **Job Description Review and Compensation Benchmarking to Address Recruitment and Talent Retention Challenges**

The approved expansion of the establishment due to the creation of new posts has led to the need to streamline the JDs to ensure changes are equitable, effective and well-documented in the form of streamlined documents. In the effort to fill key posts, the Corporation's compensation levels failed to attract suitable talent. It appears that the 3rd year (2024/25) implementation of the new GOJ compensation plan will need to be bolstered with a thorough benchmarking exercise to ensure these

talent management issues are addressed. This project will involve a Compensation Benchmarking exercise to review and adjust Total Rewards levels to attract talent for hard-to-fill posts and to support the succession plans at all levels. The recommended changes arising from the study will need to be consistent with the compensation elements of the Government's new Compensation Plan.

- **Update and Modernize Human Resource Policies, Guidelines and Procedures Framework**

During the planning period the Corporation will update, modernize and have a well-developed set of policies and procedures that guide its HR management practices reflecting modern workforce requirements, including those impacted by changes in technology and generational diversity in the workplace and ensure fairness and consistency in their application. These policies will focus on the infrastructure and standards for employees in the successful execution of their work objectives and the means for evaluating performance, as well as to allow for the fostering of employee motivation, reducing conflict and providing the highest level of confidence in the management of grievances and the disciplinary process.

Additionally, the implementation of MyHR+ will shift key controls from a paper-based format to online paperless format, requiring the review and update of standard operating procedures (SOPs). Whereas aspects of the HR Policies and Procedures are reviewed from time to time, the Corporation will engage a SME to carry out the exercise, in keeping with the automated human resource management system.

- **New Business Office Acquisition**

Additional business office will be acquired in contemplation of the current constraints to accommodate its entire business operations due to the impending increase in the staff complement to support the proposed expanded mandate, to include the admission of credit unions to the DIS and JDIC's expanded role in the enhanced resolution framework. The new office space will also aid in preserving the safety and well-being of staff. In the interim, the Corporation has entered into a three-year Lease Agreement to accommodate the staff at the Courtleigh Corporate Centre that expires on September 30, 2025.

4.0 DEPOSIT INSURANCE FUND (DIF) MANAGEMENT

As at September 30, 2023, the Fund balance was \$37.5 billion. Since establishment of the Corporation there has been no bank failures, hence no call on the Deposit Insurance Fund. The Corporation continues to manage the Fund in keeping with its investment policy.

The Deposit Insurance Fund (DIF/the Fund) is made up of the initial, annual and other premiums paid by Member Institutions; and any other such contributions by way of advances which may be made by the GOJ from time to time; investment income, borrowings and amounts realized from liquidations. The types of securities in which the Fund can be invested are prescribed in Section 17(2) of the DIA, which provides that: "The Corporation may invest any part of the Fund in securities issued or guaranteed by the BOJ and securities issued by the GOJ or in such foreign securities as may from time to time, be approved by the Board".

Pursuant to the DIA, payments out of the DIF include the insured deposits of a failed MI placed into liquidation up to the maximum coverage limit applicable at the time (presently \$1.2M). Other payments out of the Fund include loans and advances to Policyholders and principal and interest in respect of monies borrowed by the Corporation, operating and administrative expenses incurred by the Corporation, and any other amounts legally due to Member Institutions or third party arising out of the administration of the Fund.

5.0 JDIC PERFORMANCE SCORECARD

The Corporation's Performance Scorecard further details with respect to Strategic Objectives, Supporting Initiatives, *Performance Targets* and measurements/ *Key Performance Indicators* (KPIs). Monitoring and evaluation of the Corporation's performance will be ongoing and reported in keeping with the requirements under the Public Bodies Management and Accountability Act (PBMA).

ENVIRONMENTAL SCAN

OVERVIEW

The global and local macroeconomic environment has seen recovery from the COVID-19 pandemic despite shocks from, *inter alia*, the Russia/Ukraine conflict, elevated inflation, and unprecedented monetary policy tightening. Further, several risks persist that could adversely impact economic growth and the performance of the Member Institutions and the Deposit Insurance Fund. Notwithstanding, Jamaica's financial system has remained resilient and robust, and the Corporation continues to monitor the performance of its Member Institutions. Against the background of uncertainties, the JDIC continues to enhance its operational readiness and collaborate with other members of the FSSN¹⁰ to enhance the financial system regulatory framework. The JDIC will also continue to build out the framework for the admission of the Credit Union Sector to the Deposit Insurance Scheme (DIS) and enhance its resolution capacity within the context of the current economic reality and with due consideration to the risks that may be introduced or heightened as a result.

To effectively plan for the Corporate Planning Period FY2024/25 – FY2027/28, the Corporation conducted an environmental scan to guide an appropriate mix of policy responses and strategic initiatives for the four-year planning period. The results of the scan are presented under the following headings:

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

1. GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

The global economic environment has been characterized by slow and uneven recovery with the pace of growth below pre-pandemic levels. The disruption in energy and food markets caused by the war, and the tightening of global monetary conditions to combat high inflation, resulted in a slowdown

¹⁰ Includes the Ministry of Finance & the Public Service, the Bank of Jamaica, the Financial Services Commission, and the Jamaica Deposit Insurance Corporation.

in world output. The IMF projects that the world economic growth will slow to 3.0 per cent in 2023 from 3.5 per cent in 2022. A number of risks could impede the global growth forecast: geopolitical conflicts and the resulting impact on commodity prices, resurgence in elevated inflation and climate shocks. The growth projections for Jamaica's major trading partners are mixed as shown in **Table A** below.

Table A: Economic Growth of Jamaica's Major Trading Partners 2022 – 2024			
	2022	2023P	2024P
United States	2.1	2.1	1.5
United Kingdom	4.1	0.5	0.6
Canada	3.4	1.3	1.6
China	3.0	5.0	4.2
P – Projections			

2. REGIONAL DEVELOPMENTS AND OUTLOOK

The Caribbean region has seen a faster rate of growth compared to the global economy. Tourist-oriented economies in the region have recovered more rapidly than expected from the contraction experienced in 2020. The Caribbean is projected to grow 9.8 per cent in 2023. Of note, Jamaica's main Caribbean trading partners are projected to grow below 5.0 per cent, however, the high output for the Caribbean is largely attributed to the high growth prospects for Guyana. 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

Barbados initially faced a lag in its recovery in tourism compared to regional peers, however, there has been subsequent improvement in the pace of recovery. It is estimated that real GDP expanded by 3.9 per cent in the first half of 2023 fuelled by tourism and construction. Barbados is projected to expand by approximately 4.0 per cent to 5.0 per cent in 2023. Conditions in the financial system remain stable with asset quality and capital levels improved.¹¹

¹¹ Central Bank of Barbados – Review of Barbados' Economic Performance – January to June 2023

The Bahamas

The Bahamas has sustained positive growth at a moderate pace for 2023 bolstered by tourism output. Further, the central bank noted that a number of small to medium-scale foreign investment projects, and ongoing public sector post-hurricane rebuilding works, supported activity in the construction sector.¹² The IMF projects that real GDP in the Bahamas will increase by 4.3 per cent in 2023 with a slowdown to 1.8 per cent in 2024. The Bahamas has also taken steps to enhance its financial institutions' regulatory and resolution framework. In November 2022, the IMF's Monetary and Capital Markets Department conducted a mission to support the operationalization of the new bank recovery, resolution, and deposit protection regimes in the country.¹³

Trinidad and Tobago

In the first quarter of 2023, there was an uptick in activity in the non-energy sector with stable outturns in the energy sector. Economic activity in Trinidad and Tobago is expected to improve for the remainder of 2023 bolstered by activity in the energy and non-energy sector.¹⁴ The IMF projects that the economy will expand 2.5 per cent in 2023 with growth moderating to 2.2 per cent in 2024.

Guyana

Guyana's economy continues to grow rapidly due largely to the oil sector expansion. Following high growth of an estimated 62.3 per cent in 2022, real GDP is expected to grow 38 per cent in 2023 as oil production increases. The outlook for medium-term growth is also remarkably positive. Oil production is projected to continue to expand rapidly as three new approved fields are expected to be operationalized between 2024-27, and a sixth field in the first half of 2028.¹⁵

3. DOMESTIC ECONOMIC DEVELOPMENTS AND OUTLOOK

The Jamaican economy has continued to recover with a number of macroeconomic indicators performing favourably. Real GDP growth for the July to September 2023 quarter was 1.9 per cent compared to the same period last year. Unemployment is at an historic low of 4.5 per cent at end-July 2023. Inflation has trended down with annual point to point inflation at the end of September

¹² Central Bank of Bahamas – Monthly Economic and Financial Developments – June 2023

¹³ IMF High-Level Summary Technical Assistance Report THE BAHAMAS Operationalizing the New Bank Resolution Framework and Amended Deposit Insurance Legislation—Second Mission, August 2023

¹⁴ Central Bank of Trinidad and Tobago – Economic Bulletin – July 2023

¹⁵ IMF Guyana Staff Concluding Statement of the 2023 Article IV Mission

recorded at 5.9 per cent, just below the upper limit of the Bank of Jamaica's inflation target (4.0 to 6.0 per cent). The ratio of public debt to gross domestic product (GDP) increased 15 percentage points to 110 per cent of GDP in FY2020/21. However, it has subsequently decreased to 79.7 per cent of GDP in FY2022/23 and is anticipated to steadily drop below 70 per cent in the medium term. Jamaica's positive performance is also endorsed by international rating agencies S&P and Moody's. In September 2023, S&P Ratings upgraded the Government of Jamaica's Long-Term Foreign and Local Currency Issuer Default Rating (IDR) from B+ to BB-, with a stable outlook. The stable outlook reflects the S&P's expectation that the Government will remain committed to the conservative fiscal policies and to reducing debt. Similarly, Moody's Investors Service upgraded Jamaica's long-term issuer and senior unsecured ratings from 'B2' to 'B1' and revised its outlook from stable to positive. According to Moody's, the decision to upgrade the rating reflects its analysis that Jamaica, despite various external shocks, has maintained a steadfast commitment to sustainable fiscal policy. The outlook's revision to 'positive' reflects the agency's assessment that a sustained positive fiscal trajectory stemming from reforms undertaken to improve fiscal, monetary and economic policy effectiveness will continue to bolster the country's credit resilience.

Despite the slow projected global growth and high level of uncertainty surrounding the global forecast, the medium-term macroeconomic outlook for Jamaica is positive. **Table B** below outlines the Government's projected economic growth out-turns for the periods FY2022/23 to FY2025/26.

Table B: Jamaica's Medium Term Macroeconomic Profile				
	FY2023/24P	FY2024/25P	FY2025/26P	FY2026/27
Real GDP Growth (%)	1.3	1.0	1.3	1.3
Inflation: Annual Pt to Pt (%)	6.1	4.6	5.0	5.0
Primary Balance (% GDP)	6.0	5.4	4.9	4.7
Current Account (% of GDP)	0.4	-0.2	-1.7	-0.4
Fiscal Balance (% of GDP)	0.3	0.3	0.5	0.7
NIR (US\$ Mn)	4,6434.5	5,206.4	5,324.4	5,438.0
Source: GOJ Fiscal Policy Paper FY2023/24 - September 2024				
P – Projections				

4. POLICYHOLDERS' PERFORMANCE

JDIC's Policyholders retained robust capitalization and demonstrated resilience, with positive overall trends in financial health indicators at the end of September 2023. The total number and the sector composition of Policyholders remain unchanged with eleven (11) institutions: eight (8) commercial banks, two (2) building societies and one (1) merchant bank. Total insurable deposits was estimated at \$1,713.30 billion at end September 2023, indicating a 4.5 per cent growth compared to September

2022. Insured deposits increase 3.1 per cent year over year to an estimated \$555.43 billion. The system's capital adequacy ratio (CAR) increased from 13.8 per cent at end September 2022 to 14.5 per cent at end September 2023 and remained comfortably above the regulatory minimum of 10.0 per cent.

Additionally, there was a 12.6 per cent growth in Policyholders' loan portfolio between September 2022 and September 2023. Non-performing loans increased 10.7 per cent during this period. The overall quality of the system's loan portfolio remained relatively stable, as reflected in the non-performing loan (NPL) to total loans ratio of 2.5 per cent, unchanged from the same period in 2022 and remained comfortably below the regulatory threshold of 10.0 per cent. **Table C** below provides a summary of selected financial system outturns as of the end of September 2023.

Table C: Financial System Outturns as at September 30, 2023			
	September 2022	September 2023	% Change
Total Assets (Bn)	2,375.74	2,605.01	9.7
Deposits (Bn)	1,628.03	1,818.50	11.7
Insurable Deposits (Bn)	1,639.24	1,713.30	4.5
Insured Deposits (Bn)	538.49	555.43	3.1
Total Gross Loans (Bn)	1,228.04	1,383.08	12.6
CAR	13.8%	14.5%	0.7
NPL/Total Loans	2.5%	2.5%	0
Annualized ROAA	1.7%	1.8%	0.1
Liquid Assets to Deposits	33.4%	31.4%*	(2.0)
* As at June 2023			

The Credit Union Sector

The Corporation remains in dialogue with the Jamaica Cooperative Credit Union League and the Bank of Jamaica as internal monitoring continues in preparation for the passing of the Bill, Credit Unions (Special Provisions) Act, and their admission to the Deposit Insurance Scheme. At the end of September 2023, there were 25 credit unions in operation with total assets of \$174.3 billion and total savings of \$137.9 billion. The sector maintained risk-weighted capital adequacy ratio (RWCA) of 16.5 per cent and a primary ratio of 11.4 per cent, both above the required prudential thresholds of 10.0 per cent and 6.0 per cent, respectively. The potential insurable and insured deposits for the sector were \$125.3 billion and \$102.8 billion, respectively as at end of December 2022¹⁶.

¹⁶ The data to estimate the potential insurable deposits is conducted on data as at December 31st of each year for the Credit Union Sector.

5. DEVELOPMENTS IN THE FINANCIAL REGULATORY ENVIRONMENT; IMPLICATIONS FOR JDIC AND RELATED KEY STRATEGIC INITIATIVES

The strengthening of the supervisory and regulatory frameworks for Jamaica's financial system and promoting financial consumer protection and inclusion, remain a priority for the authorities. Against this background, several financial sector reforms are being aggressively pursued that are geared towards buttressing the safety and soundness of the financial sector, supporting the expansion of financial services, responding to the evolutions in Fintech, and better aligning with international standards. These reforms are also intended to support economic growth and development. The following are some of the key current reforms that have implications for the JDIC's operations and are imperatives that underpin the strategic initiatives for the planning period.

- **Special Resolution Regime for Financial Institutions in Jamaica: The draft bill entitled "the Financial Institutions Resolution Act" (draft FIRA or draft Bill)**

The Cabinet of the Government of Jamaica, in 2017¹⁷, approved the development of a Special Resolution Regime for Financial Institutions (SRR), and subsequently drafting instructions were issued to the Chief Parliamentary Counsel for a principal bill, the Financial Institutions Resolution Act (draft FIRA or draft Bill)¹⁸. The scope of the SRR legislation i.e. the draft FIRA, includes, financial holding companies (FHCs); commercial banks; merchant banks; building societies; securities dealers; credit unions; and life and general insurance companies. In addition, other financial institutions (FIs) that are necessary for the continuation of the provision of critical support functions to the FIs and their FHCs are included within the scope of the resolution framework. The draft FIRA is intended to address the situation where an FI is no longer viable or is likely to be no longer viable. Its implementation should allow the authorities to effectively resolve failing financial institutions (using a full suite of resolution powers and tools) in an orderly manner without exposing taxpayers to undue costs while maintaining continuity of vital economic functions and financial system stability.

The draft FIRA will address some gaps that exist in the current resolution framework for financial institutions and better align the existing framework with international standards, namely the FSB Key Attributes and in a manner that is proportionate to the structure and complexity of Jamaica's

¹⁷ This was subsequent to the members of the Financial Regulatory Committee comprising the MOFPS, BOJ, FSC, and the JDIC jointly publishing a consultation paper on the Proposals for a Special Resolution Regime for FIs in Jamaica in February 2017.

¹⁸ The drafting of the Bill was put on hold in 2020 pending approval for continuation of the legislative process consequent on the change in Administration in 2020. The revised Cabinet Submission was completed in September 2023 as a collaborative effort of the FRC Members and other stakeholders.

financial system. The development of the draft FIRA represents a major legislative reform to complement the modernization of the Jamaican prudential regulation and supervision frameworks of financial institutions.

The draft FIRA includes three components, the administrative mechanisms, funding arrangements and the modified winding-up framework to deal with non-viable institutions where the failure does not pose a threat to the continuity of critical financial services or the stability of the financial system. The Framework further proposes the designation of the Bank of Jamaica as the Resolution Authority and the JDIC to act in the capacity of Resolution Administrator enabling the JDIC to operationalize and carry out the chosen resolution strategy, consistent with its existing powers under the DIA. The draft Bill also includes provision for the JDIC to be the competent authority assigned to manage the Resolution Fund. These provisions will see the JDIC role in resolution expanding.

The implementation of the SRR framework is also considered to be urgent based on recent commitments undertaken by the Government of Jamaica with the International Monetary Fund ("the IMF") that involves the tabling of the proposed draft FIRA by March 2024, in keeping with the legislative process.

▪ **The Credit Unions (Special Provisions) Act (draft CUSPA)**

The Credit Unions (Special Provisions) Act (draft CUSPA), along with the Cooperative Societies (Amendment) Bill, will facilitate licensing and supervision of credit unions by the BOJ. The legislative process is at an advanced stage and the tabling of the two companion pieces of legislation in Parliament is slated for March 2024. The draft CUSPA, once passed and implemented, will include the provisions for licensing, capital, reserves, prohibited business, remedial and intervention processes, and the role of specially authorized Credit Unions. Upon the promulgation of this legislation, it will be mandatory for credit unions to become members of the Deposit Insurance Scheme. The onboarding of credit unions into the DIS would significantly increase the membership of the DIS from the current membership of eleven to a projected thirty-six members, as there are currently twenty-five credit unions operating within the sector.

▪ **Twin Peaks Model of Financial Regulation**

The "Concept Paper for Implementation of the Twin Peaks Model of Financial Regulation in Jamaica" ("the Model" or "the Twin Peaks Model") was issued by the Bank of Jamaica to financial sector institutions and other stakeholders in June 2023.

The Twin Peaks Model of financial system regulation is proposed for implementation in 2025. The Twin Peaks Model separates financial regulation into two distinct functions: (i) conduct of business or market conduct regulation and consumer protection and (ii) prudential supervision. Under this regulatory structure, the BOJ will have responsibility for prudential supervision and regulation of all financial institutions while the 'new' Financial Services Commission (current regulator of non-DTIs) will have responsibility for the supervision and regulation of market conduct and consumer protection with respect to all financial institutions. The proposals for the implementation of the Twin Peaks model also include the restructuring of the statutory committees that now exist under the Banking Services Act ("BSA") and the Bank of Jamaica Act¹⁹. The Twin Peaks Model will complement the JDIC's mandate within the context that the JDIC's mandate is also inherently one for consumer protection and financial stability.

In preparation for this new financial regulatory approach the JDIC will collaborate with the BOJ and the FSC to ensure the legal and operating frameworks are in place to allow for appropriate coordination and information sharing with the BOJ and the new FSC, and also effective governance structures to ensure the achievement of the objectives of the Twin Peaks Model within the Jamaican financial regulatory context and to support JDIC's mandate and functions.

▪ **Development of Financial Consumer Protection Legislative Framework for the BOJ's Regulated Entities**

The BOJ is reviewing the draft legislation for the Financial Consumer Protection Framework, with focus on matters such as required disclosures by regulated entities, dispute resolution, consumer protection remedies and enforcement processes. It is anticipated that there may be amendments to the draft legislation to ensure alignment with the implementation of the Twin Peaks Model. To further strengthen the framework for consumer protection in financial services and financial literacy, and to provide high levels of protection for users of financial services, during the planning period, JDIC will be issuing rules to provide guidance and mandate certain Policyholders' disclosure requirements about the DIS.

¹⁹ These include: proposed mandate of a new BOJ Supervisory Committee, which will be established under the BOJA, with an expanded one that covers micro-prudential regulation and micro-prudential policy for the entire financial system; the existing FRC that will cease to exist, and matters relating to regulation, supervision, and resolution now under the ambit of the FRC will continue only under the new BOJ Supervisory Committee and the new dispensation of the Financial System Stability Committee (FSSC).

- **Prudential Consolidated Risk-Based Supervision (RBS) Methodology – Financial Holding Companies**

The BOJ continued its efforts to operationalize its consolidated supervision framework through the execution of pilot exercises of its risk-based supervisory methodology. The framework being developed through this process will be applied to each licensed financial group. The BOJ has also intensified its supervisory efforts for FHCs, through a Regional Consolidated Supervision Working Group (TWG), which it chairs. The objective of this initiative is the establishment of uniformed prudential reports to be applied at both the level of licensed financial holding companies and the various regional sectoral regulators, which would capture all the intra-group transactions and exposures for financial conglomerates.

This initiative is aimed at bolstering the resilience of deposit-taking institutions and the overall financial system. Adoption of the risk-based conglomerate supervisory methodology framework by the BOJ, once implemented, may contribute to reducing the cost of resolving a failed DTI and potential cost to the Deposit Insurance Fund. In light of these developments, the JDIC will review and incorporate the necessary changes to its Policyholder Risk Assessment Framework and Resolution Operating Policies and Procedures.

- **Development of an Enabling Regulatory Framework for Payment Service Providers (PSPs)**

The legislative process to enact the proposed amendments to the Payment Clearing and Settlement Act, 2010, continued in 2023 by the BOJ. This is aimed at developing a legal framework to regulate the provision of retail payment services by non-DTIs (Payment Service Providers), while safeguarding the safety, integrity, and efficiency of the financial system. Under the regulatory framework, PSPs are required to maintain a "custodian account" i.e. a special purpose account or pooled account to hold customer funds in trust by the PSP with a deposit-taking institution licensed under the Banking Services Act. Based on this provision and consistent with the principle of "pass through deposit insurance", the unused funds of the clients of PSPs held in a custodian account, are eligible for deposit insurance coverage under the DIA (Joint, Trust and Nominee Regulations). Strategic initiatives to support enhanced public education will be conducted to bring awareness to this deposit insurance coverage eligibility. Further, the JDIC will continue its work towards the issuance of its Recordkeeping Guidelines as well as the development of an appropriate Compliance Framework targeted at Policyholders, PSPs, and other Professional Intermediaries²⁰.

²⁰ Professional intermediaries include pension funds, unit trusts and other fund managers, as well as lawyers, securities dealers and stockbrokers managing single or pooled accounts held on deposit or in escrow for clients.

▪ **Climate Related Financial Risks**

Climate Change remains topical and can have an impact on the performance of financial institutions. As such, the Bank of Jamaica has advanced plans towards the incorporation of Climate Related Financial Risks (CRFR) into its oversight framework. A consulting firm was engaged in December 2022 to begin groundwork to develop supervisory capacity to assess climate related risks, as part of the planned Climate Risk Project as well as boost awareness among supervised entities. Phase Two of this project will involve the conducting of climate related stress tests and the integration of CRFR management into macroprudential supervision and policy decision. The JDIC continues to support research efforts in understanding systemic risks of climate change and is a member of an FSSN multi-agency technical working group. Additionally, JDIC will be placing more focus on analysing climate risk in its ERM Framework and contingency planning as a source of operational risk.

▪ **Basel III Framework²¹**

The BOJ continued its phased implementation of the Basel III Programme to further strengthen the financial system. Basel III consists of three pillars, namely:

- Pillar 1 speaks to capital requirements and risk coverage;
- Pillar 2 includes risk management and supervision; and
- Pillar 3 covers market discipline.

The BOJ expects Phases 2 and 3 of the Basel III implementation programme to be completed by the December 2025 quarter. JDIC's Policyholder Risk Assessment Framework and Resolution Operating Policy and Procedures are reviewed to incorporate the changes.

OTHER DEVELOPMENTS IN JAMAICA'S LEGAL FRAMEWORK

The financial regulatory environment is subject to constant change and evolution. It's important for the Jamaica Deposit Insurance Corporation (JDIC) to stay informed about these developments and understand their impact. Here are some potential developments in the financial regulatory environment and their implications for the JDIC:

²¹ Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the financial crisis of 2007-09. The measures aim to strengthen the regulation, supervision and risk management of banks.

▪ **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 the 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.

Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Proliferation of Weapons of Mass Destruction (WMD) rules have a significant impact on deposit insurance. These regulations are in place to combat financial crimes, including money laundering and the funding of terrorism or WMD proliferation. Here's how they affect deposit insurance:

- i. **Enhanced Due Diligence:** Financial institutions are required to conduct enhanced due diligence on their customers, particularly those in higher-risk categories. This means that they must have a better understanding of their client's financial activities, which can help mitigate the risk of fraudulent or criminal activities impacting deposit insurance.
- ii. **Reporting Obligations:** AML/CFT regulations often require financial institutions to report suspicious transactions or activities to relevant authorities. This helps in identifying potential threats and mitigating them early, reducing the impact on deposit insurance.
- iii. **Risk Assessment:** Financial institutions are expected to assess the risks associated with their clients and transactions. This risk assessment helps them determine the level of insurance coverage required to protect deposits adequately, especially in cases where clients are involved in high-risk activities.
- iv. **Penalties and Enforcement:** Violations of AML/CFT and WMD regulations can result in significant penalties for financial institutions. These penalties can impact their financial stability and, in turn, their ability to provide deposit insurance effectively.

- v. **Monitoring and Compliance:** Regulatory bodies often monitor financial institutions for compliance with these rules. Non-compliance can lead to reputational damage, legal consequences, and potentially a loss of trust from depositors, which can indirectly impact the effectiveness of deposit insurance. In summary, AML, CFT, and WMD regulations play a crucial role in safeguarding the financial system against illicit activities. Their impact on deposit insurance is in ensuring that financial institutions take necessary precautions and due diligence to reduce the risks associated with criminal or fraudulent behaviour, ultimately contributing to the security and stability of deposit insurance.

Evolving AML and KYC regulations can impact the JDIC's ability to identify and mitigate risks related to money laundering and fraud.

6. DEPOSIT INSURANCE BEST PRACTICE STANDARDS, DEVELOPMENTS AND TRENDS

The Corporation continues to align its strategies with the changing market and operating environment taking into consideration international best practice standards that provide guidance on effecting a robust and well-functioning deposit insurance and financial system. These standards are frequently reviewed by the standard setting bodies as they seek to maintain relevance and ensure that the developments and changes in the operating environment are considered. Supporting principles, practices and guidelines are therefore developed, revised, and issued on an ongoing basis. In recent times, standard setters have begun analysing the recent (2023) bank failures and determining lessons learnt, implications and how to ensure authorities have credible options for resolving banks.

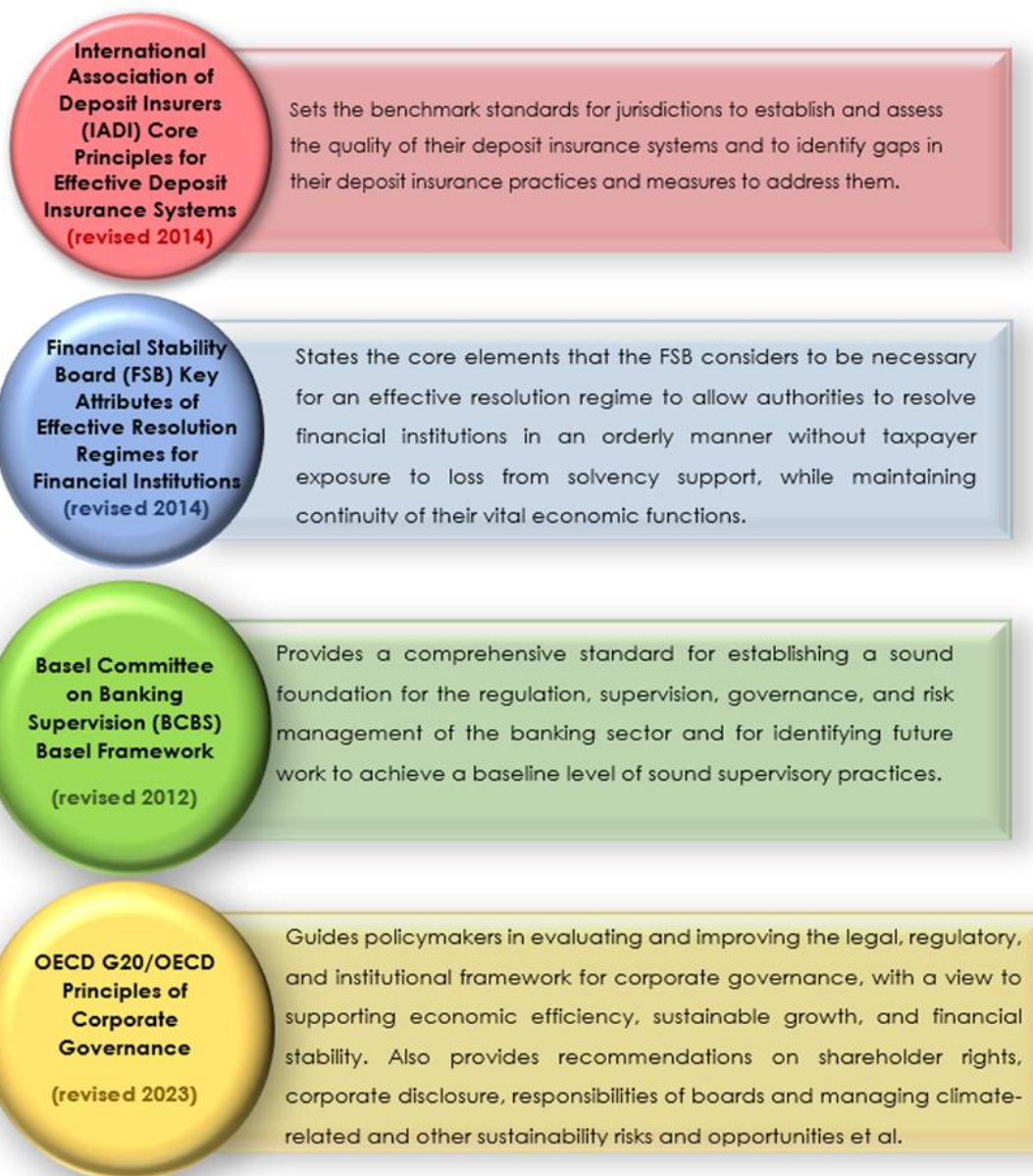
In addition to the recent bank failures, the Corporation also monitors other key emerging developments and trends, globally and domestically, that continue to shape the financial markets and could impact financial system regulators. Some of these key developments and trends are expanding role of deposit insurers; fintech developments and financial inclusion; cyber security risks; sustainable finance; climate related financial risks; and cross border challenges. It's against this background that the JDIC assesses these developments and trends that can inform appropriate strategies and key initiatives for the planning period.

A summary of the key international best practice standards that guides the JDIC's operations as well as the emerging developments and trends impacting financial systems and the implications for the regulatory and operating environment are outlined below. Assessments of the respective policy responses were also conducted and a summary of the supporting discrete key initiatives that are

currently being undertaken by the JDIC and or other members of the FSSN and or is scheduled to be executed during the planning period have been highlighted.

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

The JDIC regularly evaluates its operations and adherence to specific international standards, implementing initiatives to enhance its legal and operational framework as needed. These key standards issued by the IADI, FSB, BCBS and OECD are summarized below:



6.2 Emerging Developments and Trends, Policy Response and Key Strategic Initiatives



6.2.1 Expanding Role of Deposit Insurers

The banking stress earlier this year (2023) in the United States, United Kingdom, and Switzerland, exacerbated by waning depositor confidence, has prompted policymakers to review regulatory, supervisory, early intervention and resolution policies at both national and international levels. The events have pushed deposit insurance once again at the top of the international policy agenda and created heightened focus on several issues that are fundamental to deposit insurers. These include appropriate deposit insurance coverage, the interaction of prudential regulation and supervision, bank crisis management and resolution policies, as well as the impact of social media and new technological means to withdraw funds rapidly from bank accounts.

Additionally, depositor reimbursement remains another highlighted area for discussion due to the rapid development of technology and the role it can play in the timely and accurate reimbursement of depositor funds in the event of a bank failure. Looking further into the expanding role of deposit insurers, dialogue continues regarding the use of the deposit insurance fund for other non-pay out resolution tools.

Albeit authorities should not lose sight of the fact that deposit insurance does not operate in a vacuum but forms part of a jurisdiction's financial safety net which has been adopted with the primary objective of safeguarding financial stability. Guided by these developments, the following are the Corporation's key initiatives as it relates to the expanding role of deposit insurers:

Policy Responses and Key Initiatives

- Continue to strengthen the Corporation's legal and operating framework to support its expanding role in resolution. Draft legal & operating template documents in areas such purchase and assumption agreements and setting up temporary bridge banks.
- Continue to build technical capacity of staff to execute resolution options.
- Continue to prioritise testing and simulation exercise to test the structures for crisis management decision making, coordination, information sharing and communication.
- Strengthen crisis communication strategies with focus on social media monitoring & management with FSSN Partners.
- Continue to build JDIC's capacity to function as liquidator/trustee and establish asset management vehicles.
- Continue to enhance the depositor reimbursement framework to ensure efficiency and meet depositor expectations.
- Establish rules and guidelines that clearly define the specific use of the Fund.
- Conduct research for clarity and understanding regarding public liquidity backstop and assess the need for credible liquidity back stops and other frameworks, in Jamaica, to provide meaningful support to an illiquid bank including robust structures to guarantee the payback of such funds.
- Leverage technology towards implementing use of digital payments for pay-outs which would allow depositors to access their funds much more quickly than non-digital pay-out methods.
- Conduct a comprehensive review of the scope of coverage with specific focus on uninsured deposits.

- Review hierarchy of claims in collaboration with the other financial system safety net partners with regards to uninsured depositors being higher in hierarchy of claims in the event of liquidation.

6.2.2 Fintech Developments and Financial Inclusion

Advancements in financial technology present deposit insurers with both opportunities and potential risks. Its impact on the timeliness of depositor reimbursement presents one of the greatest opportunities, however, due to rapid digital financial solutions products and services offered by DTIs and non-DTIs both domestically and globally and one of the risks it presents in terms of identifying and determining what classifies as 'deposits'. It is of extreme importance to deposit insurers to continue its monitoring of this emerging industry.

The rapid increase in fintech developments have aided in improving financial inclusion, which has become a key priority of governments and financial system authorities globally given the benefits of economic growth and financial stability. Notwithstanding, it has been noted in an IADI report that the link between financial inclusion and deposit insurance is mostly indirect and needs to be supported by a sound banking system with strong prudential regulation and supervision. Deposit insurers as a member of the financial system safety net can do its part towards promoting financial inclusion. JDIC's key initiatives as it relates to fintech developments and financial inclusion are:

Policy Responses and Key Initiatives

- Continue to develop procedures to enhance supervision and understanding and reporting of this emerging industry.
- Increased monitoring and reporting of developments in digital financial solutions products and services offered by DTIs and non-DTIs both domestically and globally to ensure adequate coverage under the DIS that supports the JDIC's public policy objective.
- Ensure appropriate policy responses.
- Leverage technology to optimize data analysis and reporting.
- Conduct a comprehensive review of member institution's product and service offerings.
- Continue to collaborate with the Bank of Jamaica to promote the national strategy for national financial inclusion.
- Continue to promote public education on financial products and offering so that citizens can make informed decisions.

6.2.3 Cyber-Security Risks

Cyber-attacks have been increasing globally within the financial sector and is one of the most pressing concerns confronting the financial system. The growth in digitization since the pandemic has resulted in more resourceful and targeted cyber-attacks. Cyber resilience and a proactive approach to cyber security is of critical importance to a deposit insurer as this could impact their operations and resolution activities. In critical recognition of this, JDIC's key initiatives are as follows:

Policy Responses and Key Initiatives

- Enhance framework and structures to improve data protection, confidentiality, integrity, and security including full compliance and implementation of the Data Protection Act.
- Ensure the ICT Security Policy remains up to date and relevant and the ICT security framework is robust to ensure ICT Security is adequately managed in both crisis and non-crisis times.
- Conduct regular simulations to test resilience and how quickly the Corporation can restart operations after down time.

6.2.4 Sustainable Finance

This emerging field where investment decisions consider environmental, social and governance (ESG) issues continue to gain traction within the financial sector. ESG considerations have been gaining fast-growing importance with financial institutions developing formalized ESG policies that go beyond legal obligations. However recent surveys conducted by IADI show that most deposit insurers do not have formalized ESG policies. Nevertheless, based on the survey, most deposit insurers expect ESG relevance for core deposit insurer activities to increase in the near future with recognition for collaboration among financial safety net partners. Key initiatives that would be pursued by JDIC are:

Policy Responses and Key Initiatives

- Develop policies that would foster global interoperability and comparability of ESG approaches which would include tools and methodologies that underpin disclosure, valuations and scenario analysis in financial markets associated with low carbon transition.
- Continue to improve information sharing and collaboration among JDIC and other FSSN agencies.
- Comprehensive review and consideration of green securities to be included in the JDIC's investment policy and guidelines for the Deposit Insurance Fund and the Resolution Fund, upon its establishment and management by the JDIC.

6.2.5 Climate Related Financial Risk

The influence of climate change on the global financial system is increasingly recognized as a threat to overall financial stability. Climate change poses various challenges for deposit insurers, encompassing operational risk, risks to financial stability, financial risk, oversight of assessments and investment fund management. These risks could have a substantial impact if effective mitigation strategies and appropriate methodologies for pricing climate related effects are not put into practice. It is crucial to acknowledge that Jamaica's geographical and socio-economic characteristics render it susceptible to the escalating frequency and magnitude of climate events caused by global warming. Thus, policies and reforms aimed at reducing vulnerabilities, as well as the transition to a low carbon economy are imperative. JDIC's key initiatives in this regard are:

Policy Responses and Key Initiatives

- Continue to conduct research and provide technical support as a member of the FSSN multi agency initiatives in understanding systemic risks of climate change and develop a framework for regulated financial institutions to monitor and account for climate risk.
- Include climate risk in disaster preparedness and contingency planning initiatives to take appropriate account of climate risk as a potential source of operational risk.

6.2.6 Cross-Border Challenges

The interconnectivity of financial institutions persists in posing cross-border challenges within the global financial sector. Matters necessitating specific scrutiny for deposit insurers include aspects pertaining to membership, coverage, funding, interrelationships among financial sector participants and in the event of failures, the prompt reimbursement of insured depositors. Although cross-border collaborations among deposit insurers are presently limited, the ongoing evolution of the financial market demands heightened vigilance to this emerging 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. Key initiative in this area is:

Policy Response and Key Initiative

- The draft FIRA makes provisions for the necessary legal framework and structures to promote cross-border coordination and information sharing. The JDIC has also taken a strategic decision that at this time it will not establish any regional cross border arrangements specific to any Policyholder and where necessary will rely on the BOJ, to avoid duplicating the efforts and causing any burden on regional regulatory counterparts / FSSN partners. Albeit the DIA will be revised to ensure the legal framework provides for cross border cooperation and information sharing should it become necessary in executing the JDIC functions.

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, FY2024/25 – FY2027/28:

1. STRENGTHS

1.1 Sound Governance Structures – The Corporation has in place an effective governance structure consistent with laws, GOJ guidelines and best practice standards 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*; and the *GOJ's Corporate Governance Framework*. 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. The governance structure facilitates effective oversight and prudent management. Periodic reviews of the governance structure are conducted to ensure the Corporation successfully executes on its strategic objectives to deliver on its mandate.

1.2 Specialized and Experienced Talent – The JDIC 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.

1.3 Credible 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 including the IADI recommendation regarding the review of the coverage limit to ensure that the scope and level of coverage remains relevant and provides protection to the vast majority of vulnerable depositors, consistent with its public policy. The last review of the coverage limit was conducted in August 2020, and this resulted in an increase to \$1,200,000, up from \$600,000. Based on the

existing coverage limit, 96.8 per cent of deposit accounts in the system are fully covered.²² 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 for deposit insurers to fully insure upwards of 90-95 per cent of the number of deposit accounts in the banking system. Additionally, the JDIC's scope/rules of coverage is also 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. The

1.4 Effective Depositor Reimbursement Systems – The Corporation has been advancing initiatives geared towards strengthening its capacity to ensure depositors have prompt, accurate and easy access to their deposits if their DTI fails, regardless of the decided resolution option, that is, a payout in liquidation or upon the execution of the range of resolution options/restructuring transactions. This includes leveraging technology to modernize and improve the operational efficiency of its depositor reimbursement systems. The Corporation maintains a Payout 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, consequent to a liquidation and a payout of depositors is required. These options include cheque payment, insured deposit portfolio transfer, and a range of electronic payment methods that are 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 7 - 14 days.

1.5 Brand Awareness and Recognition - 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

²² Against the 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.

has been developed in anticipation of the admission of credit unions to the DIS. The Corporation undertook a Public Education and Attitude Awareness Survey in FY2022/23 to assess the effectiveness of its existing public education and awareness programme. The preliminary results indicated that, while awareness levels of the DIS remained relatively stable at 46 per cent, awareness of the JDIC increased to 74 per cent up from the 67 per cent recorded in 2017; The Survey findings will inform the Corporation's communication strategy for the 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 and strategies included to address gaps within the existing programme

1.6 Complimentary Regulatory Powers to Support Jamaica's Resolution Framework – In order to fulfil 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, *inter alia*, to act as receiver and liquidator/trustee of a Member Institution or of its holding company or subsidiary, which becomes insolvent²³. 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 are necessary powers and functions of the Corporation to support the sustainability of the DIS and financial system stability and to guarantee the Corporation fulfils its statutory mandate to protect insured depositors.

There are a range of restructuring/resolution options to deal with a failing or failed financial institution, including purchase and assumptions; mergers; acquisitions; bridge banks; and open bank assistance transactions. These options provide 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/ trustee 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 comprehensive review and operationalizing of the National Financial Crisis Preparedness and Management Framework

²³ DIA Section 5(2)

1.7 Robust and Secure 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. Additionally a comprehensive digital transformation strategy is also aggressively being pursued to leverage technology to achieve increased efficiency, greater business agility, improved Member Institution compliance and engagement, and transparency and accountability.

1.8 Sound Policies and Culture for Enterprise Risk Management – The JDIC recognizes that an overall, unified enterprise risk management programme consistent with sound corporate governance and international best practices is required to ensure that all risks facing the JDIC are identified and appropriately managed and 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) and is 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 are designated risk owners for the respective Sections and Branches, who are supported by risk champions and a risk liaison officer. Re-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.

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 the 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 October 2021 the Ministry confirmed its approval of the reclassification/organizational structure; however, the Corporation continues to await the new

compensation package in keeping with the submission made to the Ministry for salary reclassification.

2.2 Digital Maturity – 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.

2.3 Policyholders' Compliance with JDIC's Information Needs – Policyholders may not maintain certain information required by the Corporation to execute its mandate or in the required format. 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 to facilitate data transmission may not be implemented. These impediments may impact the Corporation's capacity to make timely and informed 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' Standard Recordkeeping Guidelines* and the supporting Compliance Framework; enhancements to the Payout Management Information System (PMIS); legislative amendments to provide the JDIC with powers to access data prior to closure; consideration to promulgate Regulations to standardize Policyholders' record-keeping requirements and Policyholders' and the implementation of a structured framework to monitor and assess each MI's level of compliance with the Policy of Deposit Insurance and other provisions in the DIA..

2.4 Financial Crisis Management and Resolution Preparedness – The Corporation has not been called upon to resolve a Policyholder since its establishment in 1998, due to the relative stability in the financial system and resilience of Member Institutions. Notwithstanding, economies are generally characterized by occasions of market volatilities precipitated by financial and non-financial risks. These risks could potentially have adverse impact on Member Institutions, requiring intervention/resolution. In the absence of any real-life payout/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 payout 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.

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 Sound 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, conduct robust supervision and promote market conduct, 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 bolster the effectiveness of the DIS for protecting depositors and contributes to financial system confidence and stability. The current framework provides for strong prudential regulation and supervision that ensure Member Institutions' weaknesses are promptly identified and corrected. Implementation of corrective measures is monitored and, where deficient, early intervention and/or effective resolution will help to lower the resolution and payout costs to the DIF and or the system that are associated with Member Institutions' failure. The Corporation has also leveraged the resilience of the system by focusing on reviewing and strengthening its institutional capacity and state of readiness within and among FSSN agencies in regard to resolution and financial crisis preparedness and management.

3.3 Adherence to 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*.

3.4 Strategic Partnerships and Continued Collaboration with Financial system Safety Net

Partners, Policyholders and International Standard Setters – 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; an active member of IADI sub-committees that prepare research and guidance papers; and 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 to 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 territory"²⁴. The Corporation will continue to provide technical input in the next planned work stream of the Secretariat to draft a Deposit Insurance Model Law.

The ongoing collaboration and information sharing between the JDIC, other FSSN Partners and Policyholders are provided for in several pieces of legislation. 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

²⁴ 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).

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 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.

3.5 Enabling Policyholders' Business Environment – The Policyholder environment continues to be 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 certain inherent risks, specifically 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 the Bank of Jamaica, including vulnerability to cyber threats²⁵. 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 to mitigate and manage cyber risks.

With the testing of fintech-related products in the BOJ Sandbox before coming to the market it 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 risks²⁶ and allowing for adequate deposit 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; and new FinTech entrants where these entities' operations have potential implications for financial stability.

3.6 Disaster Preparedness, Recovery and Business Continuity to be Tested and Enhanced – The implications of the past COVID-19 pandemic and the current geopolitical tensions have highlighted the imperatives of disaster preparedness, recovery, and business continuity. During FY2021/22, the Corporation continued the improvement of its Disaster Preparedness, Recovery

²⁵ BOJ has indicated it will be issuing Supervisory Guidance Notes to Member Institutions regarding Cyber Security.

²⁶ http://www.BOJ.org.jm/uploads/news/bank_of_jamaica_fintech_regulatory_sandbox_guidelines__22_june_2020.pdf

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.

3.7 Domestic Economic Environment – Gross Domestic Product (GDP) is projected to have increased by 2.9 per cent during the initial half of 2023, reaching levels seen before the crisis. This growth can be attributed to a boost in tourism and mining, leading to positive net exports. Conversely, the agriculture sector contracted due to an extended period of drought. For the September quarter growth of 1.0 – 2.0 per cent is anticipated, following expansions of 4.2 per cent and 2.3 per cent recorded in the March and June 2023 quarters, respectively.²⁷ Unemployment has also improved with the unemployment rate of 4.5 per cent as at July 2023, 2.1 percentage points lower than the 6.6 per cent recorded in July 2022. However, there are lingering concerns about the quality of employment, primarily due to a high degree of informality and a decrease in average working hours compared to levels before the pandemic. Annual point-to-point inflation at the end of October was 5.1 per cent, in line with the BOJ target range (4.0 to 6.0 per cent). The BOJ, in keeping with its mandate for price stability, held the policy interest rate at 7.0 per cent over the last 12 months in an effort to foster downward movements in Jamaica's inflation rate towards the Bank's target range of 4.0 to 6.0 per cent. As at October 2023, the NIR stood at a healthy level of US\$4,614.27²⁸, 22.2 per cent above the value held for the corresponding period last year and is sufficiently adequate to respond to economic shocks, and finance obligations, and address near to medium-term eventualities. Movement in the exchange rate continues to be two-way and remains relatively stable.

With the domestic economic environment remaining resilient and supported by several government initiatives to stimulate growth and financial inclusion, the Corporation expects the Member Institutions to remain resilient; growth in the deposit portfolio and insurable deposits; and the Deposit Insurance Fund to be impacted in a positive way. This stability in the financial system will provide the Corporation with the opportunity to enhance its public awareness initiatives, continue the build-out of its resolution and crisis management capacity while maintaining the ongoing monitoring of the performance of its Policyholders, allow for proactive

²⁷ STATIN Official Estimate

²⁸ The NIR at October 2023 is sufficient to support approximately 37 weeks of goods imports and 25 weeks of goods and services, both are above the international standard of 12 weeks.

policy responses to the developments in the operating environment that impact the DIS, and finalize plans for the admission of the credit union sector to the DIS.

4. THREATS

4.1 Global 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 Uncertainty in the Ability to Upscale Technical 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.

4.3 Insufficient History of Actual Bank Failures in Jamaica to Support Predictive Analysis - The Corporation has not been called upon to resolve a Policyholder since its establishment in 1998, due to the relative stability in the financial system and resilience of Member Institutions. Notwithstanding, economies are generally characterized by occasions of market volatilities precipitated by financial and non-financial risks. These risks could potentially have adverse impact on Member Institutions, requiring intervention/resolution. In the absence of any real-life payout/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 payout 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.

4.4 Domestic Market Developments, Technological Innovation and Changing Consumer

Expectations –The Jamaican economy continues to experience recovery, marked by positive growth rates and a decline in unemployment levels, following periods of economic contraction. Annual inflation decelerated to 5.1 per cent in October 2023 – down from its peak of 11.8 per cent in April 2022, in keeping with the Bank of Jamaica's target range of 4.0 per cent to 6.0 per cent. The deceleration in inflation was influenced by lower global commodity prices and the impacts of stringent monetary and fiscal policies. Despite maintaining its key policy rate at 7.0 per cent since the end of 2022, the Bank of Jamaica stands ready to implement further tightening measures if potential inflation risks materialize. This potential action could affect the cost of funds for DTIs and their access to credit, potentially impacting their financial performance and the growth of the DIF. The Corporation is actively monitoring environmental developments and the performance of DTIs to ensure timely policy response to these dynamics.

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 ecosystem²⁹. 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 transformation strategy, it will also leverage the GOJ National Cyber Security Strategy and mechanisms for addressing cyber security risks.

²⁹ <https://www.pwc.com/gx/en/industries/financial-services/publications/financial-services-technology-2020-and-beyond-embracing-disruption.html>

4.6 Climate Change Risk -Climate change continues to impact/pose a threat to all economies, and this is expected to worsen if Governments around the world, as well as individual organizations, fail to recognize and implement pre-emptive mitigating actions. Overtime if effective Climate Risk Frameworks are not adopted, this will impact the business continuity capacity of entities, the viability of Member Institutions and all other financial institutions, financial stability, and overall economy. To assist with addressing climate-related financial risks within the banking sector, the Basel Committee on Banking Supervision (BCBS) published "Principles for the effective management and supervision of climate-related financial risks" in 2022. The BCBS seeks to promote a principles-based approach to improving risk management and supervisory practices related to climate-related financial risks and their work is ongoing in this regard.

The FSSC recently established a Technical Working Group for Climate Risk.³⁰ 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 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. The Corporation will also 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. 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. It is recognized that the management of climate-related financial risks, and the methodologies and data used to analyse these risks, are currently evolving globally and domestically, and are expected to mature over time.

³⁰ The Central Bank has received technical assistance from international partners for this initiative.

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 as it 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 foregoing, 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 continue to develop strategies to minimise pollution in compliance with environmental protection regulations and general guidance. 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;
- 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 keep abreast of environmental standards ensure that they 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;
- Encourages the efficient use of electricity and water;
- 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 leftovers.
- 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 Corporation has a robust Enterprise Risk Management (ERM) Framework³¹ that identifies, assesses, rates and reports risks in a structured manner. The Framework includes a formal ERM Policy which operationalizes the ERM risk function and outlines the roles and responsibilities of all key stakeholders involved in the ERM process. The Corporation has adopted a risk centric culture, whereby the ERM Framework and Policy applies to all staff and ERM is an integral part of the strategic and operational decision-making processes. Risks are identified and managed by the respective functional areas within the Corporation, with the head of each functional area being the designated risk owner³² and are supported by risk champions.

THE JDIC'S STRATEGIC RISK RESPONSE

JDIC has a low-risk appetite for strategic, reputational, financial (market, liquidity, credit) and compliance risks and a low to moderate appetite for operational risks. As a general rule, JDIC's risk appetite requires the implementation of action plans that seek to reduce residual risks that have been rated as Very High and High to a target rating of at least moderate or low depending on the risk in question.

During the planning period the Corporation will continue to effectively manage risks that may impact or threaten the effective execution of its mandate to protect insured depositors and contribute to financial system confidence and stability. The key strategic initiatives that align with the Corporation's risk profile focus on three key areas: (i) strengthening resolution and crisis management capacity to ensure operational readiness and resilience in normal and crisis times; (ii) leveraging information technology to improve operational efficiency; (iii) enhancing human resource capacity through: facilitating ongoing staff training and development initiatives; and establishing competitive salaries and benefits packages to attract and retain competent employees, promote equity, and reward performance. The supporting discrete operational initiatives for the planning period are outlined in the Corporate Scorecard.

³¹ The JDIC's risk management system is guided by the key requirements of the COSO1 ERM Integrated Framework and ISO 31000 risk management standard.

³² A Risk Owner is the person that is held ultimately responsible if a risk was to materialize and there was a loss to the JDIC. Risk Owners are ultimately the JDIC's Management Team (i.e. heads of branches or sections). They are responsible for ensuring that all key risks in their areas of responsibility are properly managed (i.e. mitigated, prevented, avoided transferred or accepted).

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. Of note, the banking failures/stress earlier this year (2023) in the United States, United Kingdom, and Switzerland, exacerbated by waning depositor confidence, have pushed deposit insurance once again at the top of the international policy agenda and created heightened focus on several issues that are fundamental to deposit insurers. Although the crises did not directly impact Jamaica's financial system, it has reiterated the importance of the JDIC and other FSSN partners operating in a constant state of readiness to deal with a crisis and as well the heightened depositor expectations and their behaviour in times of financial crisis.

Against this background, the JDIC's role in resolution and crisis management including its existing powers to act as receiver and or liquidator/trustee 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 and scheduled to be tabled in March 2024. 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 Authority³³ and the JDIC the Resolution Administrator consistent with its current powers under the DIA. The FIRA also includes provisions for the Corporation to be appointed the Resolution Fund Manager, where a decision is made to establish resolution fund. Additionally, the existing membership and coverage under the DIS will be expanded to include the credit union sector upon the tabling of the draft CUSPA (also projected for March 2024), and subsequent licensing of credit unions by the

³³ Under the BSA the Minister in Charge of Finance is the Resolution Authority.

BOJ.³⁴ 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 FINANCIAL SECTOR REFORMS AND LEGISLATIVE ENHANCEMENTS

The Corporation remains integral to the preservation of financial system confidence and stability, and the development of more robust monitoring and resolution frameworks to enhance financial consumer protection. Accordingly, research and legislative review will continue to strengthen and support JDIC's 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, draft Credit Unions (Special Provisions) Act, the draft Financial Institutions Resolution Act (draft FIRA), the implementation of the Twin Peaks Model and other legislative reforms and to also secure the efficacy of the JDIC's mandate and ensure effective governance structure as may be applicable.

Against this background the JDIC will also continue to work in collaboration with the other FSSN partners as ongoing enhancements of the financial system regulatory framework also remain a priority for GOJ to bolster financial system soundness and public confidence. At the agency and inter agency levels, the FSSN members have been pursuing several other initiatives to improve the regulatory and supervisory framework for the financial sector as well as financial consumer protection mechanisms, consistent with the GOJ's on-going economic reform programme and to align with international best practice standards. These 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.

3. 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);

³⁴ The number of Credit Unions as at September 2023 is twenty-five (25).

depositor reimbursement options; and resolution tools and powers, to ensure that existing public policy objectives are achieved, and new ones identified and effected, where appropriate.

4. MACRO-ECONOMIC OUTLOOK AND IMPACT ON POLICYHOLDERS

The Jamaican economy continues to grow and is estimated to have expanded by 2.3 per cent for the first half of 2023, reaching its pre pandemic level. This growth was mainly driven by tourism and mining. The unemployment level is at its lowest at 4.5 per cent (April 2023), which is considered to be full employment. The national poverty level is estimated to have declined to 12.6 per cent, with inflation at 6.3 per cent as at June, just above the BOJ's target range of 4 to 6 per cent. Note is taken that the inflation level as at October 2023 was 5.1 per cent. The expectation is that the economy will continue to improve in its economy outturns in keeping with the Government's commitment to fiscal discipline and the continued reduction in its debt level to under 80 per cent at the end of 2022. Notwithstanding, there are downside risks which would impede the growth trajectory that the country is on, these include crime, natural disasters, the geo-political wars such as the Israel/Hamas and the Russian/Ukraine wars. With the on-going improvement in the economy, it is expected that Policyholders will continue to be impacted in a positive way and maintain their resilience and satisfy all prudential benchmarks. The JDIC will continue to monitor the economy and the Policyholders performance to ensure that potential risks to the DIF are detected and managed.

5. 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. Given the passage of time, the JDIC in FY 2023/24 commenced a comprehensive reassessment of the design features that were developed in 2018, including collection and analysis of current data. The review is to determine if the design features remain relevant and where revisions may be required, consultations will be held with the JCCUL, BOJ, Minister of Finance and other stakeholders in FY 2024/25, with a view to finalize in preparation for admission of the sector to the DIS.

6. REIMBURSEMENT OF DEPOSITORS; 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

MLs risk to the DIF; and acting as deposit insurer, receiver and liquidator/trustee. This is to prepare for, and respond appropriately to, any changes in the performance of MLs and manage a financial crisis in collaboration with the BOJ and other FSSN partners, should this arise.

7. 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 MLs 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 per cent 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 MLs 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 FY2023/24 revealed that the lower limit of the target DIF reserve ratio³⁵ (8 per cent) is forecasted to be attained in FY2028/29, which is a year later than what was forecasted the previous year. This revised period for the attainment of the lower limit of the target DIF reserve ratio was a result of the estimated insured deposits increasing faster by 11.6 per cent for FY2022/23 relative to the previously projected growth of 5 per cent. 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.

8. COMPENSATION STRUCTURE APPROVAL TO BUILD SUSTAINABLE HUMAN RESOURCE CAPACITY

With the potential increase in membership in the DIS, and the Corporation's 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 consistent with its mandate to protect depositors.

³⁵ The range for the target DIF reserve ratio is 8 to 10 per cent.



PART B

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

JDIC PERFORMANCE SCORECARD

FY2024/25 – FY2027/28

JDIC PERFORMANCE SCORECARD						
CORPORATE PLAN FY2024/25 - FY2027/28						
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches /Section	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028	Measures

A. Stakeholder Perspective							
1. Proactive Readiness and Resolution Management							
1.1 Completed Final Phase of Implementation of Policyholders' Standard Recordkeeping Guidelines and Supporting Compliance Framework	IRIR	Q1-Q2				<ul style="list-style-type: none"> Conduct pilot exercises under agreement with selected Policyholders/ Member Institutions to test data transmission activities as outlined in the revised Policyholders' Standard Recordkeeping Guidelines and the supporting Compliance Framework Finalize revised Policyholders' Standard Recordkeeping Guidelines and the supporting Compliance Framework for approval and dispatch. 	<ul style="list-style-type: none"> Complete two pilot exercises with selected MIs and prepare report on findings. Issue Revised Policyholders' Standard Recordkeeping Guidelines and the supporting Compliance Framework to COM for sign off.
		Q3-Q4				<ul style="list-style-type: none"> Issue the revised Policyholders' Standard Record-keeping Guidelines and supporting Compliance Framework to Member Institutions for implementation. Deliver sensitization sessions to all Member Institutions on the Policyholders' Standard Record-keeping Guidelines and Compliance Framework. Share the revised Policyholders' Standard Recordkeeping Guidelines with JCCUL/Credit Unions and commence series of sensitization sessions. (Contingent on the passing of the CUSPA) 	<ul style="list-style-type: none"> Issue Revised Policyholders' Standard Record-keeping Guidelines and supporting Compliance Framework to MIs for implementation. Conduct sensitization session with all MIs Submit Revised Policyholders' Standard Recordkeeping Guidelines to JCCUL/Credit Unions and begin sensitization.



JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches /Section	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.1 Complete Final Phase of Implementation of Policyholders' Standard Recordkeeping Guidelines and Supporting Compliance Framework (Cont'd)	RIR		Q1-Q4			<ul style="list-style-type: none"> Commence routine/ ongoing compliance testing with all Policyholders based on agreed schedule. Deliver sensitization sessions on the Policyholders' Standard Record-keeping Guidelines and Compliance Framework to Credit Unions (contingent on the passing of the CUSPA). 	<ul style="list-style-type: none"> Begin compliance testing with Policyholders based on Compliance Framework and agreed schedule. Completed sensitization sessions on the Policyholders' Standard Record-keeping Guidelines and Compliance Framework delivered to Credit Unions (contingent on the passing of the CUSPA) - Number of sessions are to be agreed.
				Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Develop schedule and conduct pilot exercises with selected credit unions to test data transmission activities as outlined in the Compliance Framework. Issue consultation paper to promulgate Regulations for Recordkeeping Requirements and the supporting Compliance Framework Submit recommendations to the MoFPS to inform the drafting of Regulations. 	<ul style="list-style-type: none"> Complete pilot exercises with selected credit unions and prepare report on findings. Issue consultation paper to MIs and stakeholders. Submit recommendations to the MoFPS to inform the drafting of Regulations.



JDIC PERFORMANCE SCORECARD						
CORPORATE PLAN FY2024/25 - FY2027/28						
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches /Section	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028	Measures
1.2 Engaged Member Institutions, Professional Intermediaries, Nominees and Trustees to Increase Awareness on the Recordkeeping and Disclosure Requirements for Separate Deposit Insurance Coverage for Beneficiaries	IRIR	Q2				<ul style="list-style-type: none"> Draft Guidelines for Professional Intermediaries acting as trustees and nominees account holders comply with their obligations for disclosure and recordkeeping requirements pursuant to the Regulations and issue for consultation. The Guidelines will also include appropriate mechanisms to promote adherence to recordkeeping obligations under the DIA.
		Q3-Q4				<ul style="list-style-type: none"> Issued for consultation, Draft Guidelines for Professional Intermediaries acting as trustees and nominees account holder issued for consultation. Deliver sensitization sessions on the draft Guidelines for Professional Intermediaries acting as trustees and nominees account holders. Deliver sensitization sessions to targeted stakeholders. Finalize Guidelines for COM approval and issue to Professional Intermediaries Issued finalized Guidelines to Professional Intermediaries.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches /Section	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.3 Implemented National Financial Crisis Preparedness and Management Plan (Subject to the FRC schedule).	IRIR	Q1-Q2				<ul style="list-style-type: none"> Provide technical input in FRC led activities to include the review of the Crisis Management Playbooks developed by other FSSN member agency to ensure alignment with: (i) JDIC's roles and responsibilities in a crisis, and (ii) the necessary inter-agency activities in a crisis. 	Revised JDIC's Crisis Management Playbook.
		Q3-Q4				<ul style="list-style-type: none"> Participate in FRC led activities to review and update of the NFCPM Plan to ensure alignment with agency specific Crisis Management Playbooks. Participation in planned multi-agency simulation to test the Playbooks and the NFCPM Plan. 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. 	<ul style="list-style-type: none"> JDIC role and functions adequately incorporated in the revised NFCMP. Participated in planned multi-agency simulation. Action plan prepared to address JDIC specific gaps identified during the simulation. Technical input provided (conduct research, draft documentation, make presentations, etc.).
1.4 Operationalised JDIC's Role in Resolution to Align with the FIRA. (Contingent on the passing of the FIRA)	IRIR	Q1-Q4	Q1-Q4			<ul style="list-style-type: none"> Continue to conduct review of the DIA for any additional amendments that may be needed for specific provisions consequent to the passing of the FIRA. Finalize and submit proposals to the MoFPS (some proposals may require prior stakeholder consultations) Follow through on the legislative process. 	Submit to MoFPS proposals for consequential amendments to the DIA.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches /Section	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.5 Operationalised JDIC'S Role as Trustee/ Liquidator (to act as trustee /liquidator of any Policyholder, or its holding company or subsidiary and to align with the FIRA).	IRIR	Q1				<ul style="list-style-type: none"> Engage subject matter expert to provide technical support for operationalising JDIC's role as trustee/ liquidator. 	Subject matter expert engaged.
			Q2-Q3			<ul style="list-style-type: none"> Review internal rules and operating procedures (including JDIC's governance and organizational structures) for JDIC's role as trustee/ liquidator and submit revisions to COM for sign off. Conduct staff training and simulation exercises, led by the SME, to test the rules and operating procedures and enhance staff skill. 	<ul style="list-style-type: none"> Updated rules and operating procedures completed, and COM sign off received. Staff training and simulation exercises conducted.
			Q4			<ul style="list-style-type: none"> Make proposals for the drafting of regulations for the JDIC to act as liquidator/trustee for financial institutions and to ensure alignment with the FIRA (as applicable) and submit to the MoFPS. 	Proposals for drafting regulations, where applicable, submitted to MoFPS.
1.6 Developed Guidelines on the Relationship Between the JDIC in its Role as Trustee/ Liquidator and Resolution Administrator and the Bank of Jamaica as the Resolution Authority Under the FIRA	IRIR		Q1-Q4			<ul style="list-style-type: none"> Develop guidelines on the relationship between the JDIC in its role as Trustee/ Liquidator and Resolution Administrator and the Bank of Jamaica as the Resolution Authority under the FIRA and other appropriate policies, procedures, and operating memoranda where necessary. Share Guidelines, policies, procedures, and operating memoranda with the BOJ, where applicable. 	<ul style="list-style-type: none"> Guidelines and other appropriate policies, procedures, and operating memoranda developed. Guidelines, policies, procedures, and operating memoranda shared with BOJ, as applicable.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches /Section	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.7 Finalised Rules/ Regulations to Safeguard the Use of the DIF in Resolution	IRIR	Q1-Q2				<ul style="list-style-type: none"> Update research paper on the international standards and practices of other jurisdictions regarding the use of the DIF in resolution, to inform the drafting of Rules/ Regulations to align with the resolution funding provisions in the FIRA. Develop proposals for the drafting of Rules/ Regulations to guide the use of the DIF in resolution (may include consultation with FSSN partners) and submit to COM. 	<ul style="list-style-type: none"> Research paper updated. Rules/ Regulations to guide the use of the DIF in resolution drafted and submitted to COM for sign off.
		Q3				<ul style="list-style-type: none"> Submit proposals to the MoFPS for the drafting of Rules/ Regulations. Follow through with MoFPS on the drafting process and promulgation of Rules/ Regulations. 	Proposals for the drafting of Rules/ Regulations submitted to the MoFPS.
		Q4				<ul style="list-style-type: none"> Follow through with MoFPS to finalise drafting process and promulgate Rules/ Regulations. 	Rules/ Regulations promulgated
1.8 Completed Commissioned Independent Assessment of JDIC'S Compliance with IADI Core Principles for Effective Insurance Systems				Q1-Q4		<ul style="list-style-type: none"> Collaborate with IADI and agree availability to conduct IADI Self-Assessment Technical Assistance Program (SATAP). Plan, schedule and scope the IADI Self-Assessment Technical Assistance Program (SATAP) with all stakeholders and IADI consultants. Conduct assessment activities. Present final assessment report and action plan to COM, Board and FSSN Partners. 	<ul style="list-style-type: none"> IADI's written commitment obtained. IADI SATAP scheduled and scoped with all stakeholders and IADI consultants. Assessment activities completed. Final assessment report and action plan presented to COM, Board and FSSN Partners.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.9 Established Relationship with Academic Institution to Strengthen Research Capabilities (in Collaboration with Human Resource and Administration Section)	RIR	Q2-Q4		Q2-Q4		<ul style="list-style-type: none"> Establish relationship with a selected academic institution to conduct, publish and present research paper jointly with JDIC Officers. Agree research topic and prepare outline. 	Relationship with academic institution established and research topic agreed on and outline prepared.
			Q1-Q4		Q1-Q4	<ul style="list-style-type: none"> Draft research paper for internal review. 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. 	<ul style="list-style-type: none"> Submit research paper to key sections and COM for internal review. Research paper published and presentations either done at, or confirmed for, research conferences.
1.10 Revised design features of the Deposit Insurance Scheme for Credit Unions Admission - (contingent on the passing and implementation of the CUSPA).	MRA	Q1-Q4				<ul style="list-style-type: none"> Finalize the review of the appropriateness of the design features of the credit union sector to the DIS and make recommendations to COM, JDIC Board, MOFPS, BOJ and JCCUL. Implement recommendations to include making proposals for revisions to the DIA, Regulations and the Coverage Rules. Conduct admission activities in keeping with the BOJ licensing schedule for credit unions. 	<ul style="list-style-type: none"> Recommendations submitted to the COM, the JDIC Board, the MOFPS and the BOJ Implement recommendations where appropriate
			Q1-Q4			<ul style="list-style-type: none"> Continue to hold semi-annual meetings with the JCCUL Senior Management regarding compliance with the DIA and the admission process. Host regional meetings with Credit Union managers to sensitize on the operations of the DIS, compliance with the DIA and the admission process. 	<ul style="list-style-type: none"> Host semi-annual meetings with JCCUL Senior Management. Host regional meetings with Credit Union managers.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.11 Annual and a Mid-year Deposit Insurance Fund Adequacy Evaluation	MRA	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	<ul style="list-style-type: none"> Complete the annual and mid-year Deposit Insurance Fund Adequacy Evaluation (DIFAE) and make recommendations to the COM, FCSB, MOFPS and BOJ where appropriate. Implement recommendations which may include collaboration with the MOFPS and BOJ. 	<ul style="list-style-type: none"> Annual and mid-year DIFAE completed, and the findings submitted and recommendations to the COM, FCSB, MOFPS and the BOJ by May and December respectively. Implement recommendations in collaboration with the MOFPS and BOJ where applicable.
1.12 Review of the adequacy of the DIF Target Reserve Ratio (TRR)	MRA		Q2-Q3			<ul style="list-style-type: none"> Conduct research regarding the currency of the existing TRR and make recommendations to the COM, MOFPS and the BOJ. 	<ul style="list-style-type: none"> Submit findings to COM, Board and the MoFPS. Implement recommendations relating to the TRR.
1.13 Review the efficacy of the Scope of Coverage	MRA	Q1-Q4				<ul style="list-style-type: none"> Conduct further research relating to the scope of coverage to include other deposit products and other categories of depositors e.g., Pensioners, small and medium-sized enterprises (SMEs) business and other targeted groups of depositors. 	<ul style="list-style-type: none"> Finalized findings and recommendations and submit to the COM, and Board and share with the BOJ and MOFPS where necessary for gazetting.
1.14 Review the adequacy of the Coverage Limit	MRA		Q1-Q4			<ul style="list-style-type: none"> Conduct and finalize Coverage Limit Review and submit to the COM, Board, and MOFPS. 	<ul style="list-style-type: none"> Finalize and submit Ministerial Order should it be necessary to the MOFPS for gazetting. Inform Member Institutions and implement findings of Coverage Limit review.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.15 Review of the adequacy of the Premium Assessment Rate				Q1-Q4		<ul style="list-style-type: none"> Conduct a review of the appropriateness of the Premium Assessment Rate and analyse the possible treatment of premium collections upon the attainment of the Target Reserve Ratio and report on the findings and recommendations. Prepare a Ministerial Order if a change in the assessment rate is recommended. 	<ul style="list-style-type: none"> Findings and recommendations completed on the premium assessment rate and the treatment of future premium collections vis-a-vis the attainment of the respective limits of the TRR to COM, and the Board and share findings with the MOFPS and the BOJ. Notify Member Institutions and other stakeholders of changes in the premium rate, if necessary, of the implementation timeline and implement recommendations
1.16 A Formal Compliance Framework for Monitoring Member Institutions' Adherence to the DIA Developed	MRA	Q1-Q4				<ul style="list-style-type: none"> Review and update reporting and compliance obligations of Member Institutions and any statutory actions and penalties. Develop and implement procedures and systems to monitor, record and report on the compliance status of MIs. 	<ul style="list-style-type: none"> Review and update of compliance obligations and share with COM and Board. Formal framework developed. Prepare template management report and commence submission to COM semi-annually and the Board as necessary.
			Q1-Q4			<ul style="list-style-type: none"> Make recommendations to MoFPS regarding compliance including any penalties. 	<ul style="list-style-type: none"> Recommendations made to the MoFPS.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
1.17 Crisis Communication – Call Centre Engaged - (Refer IRIR Operating Plan)	CPCB	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. Prepare simulation report and recommendations and present to COM. Develop action plan to address gaps, including update the Communications Manual as required. 	<ul style="list-style-type: none"> Agreement entered into with Call Centre. Crisis Communication training conducted for Call Centre staff by Q4 of FY2024/25. Completed Simulation Report submitted to the COM. Update of Communications Manual (Crisis Communication section) completed by Q4.
2. Public Education and Awareness							
2.1 Promote Financial Education in Primary, Secondary and Tertiary Institutions	CPCB	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Launch competition for secondary and tertiary students and promote the competition using print and social media. Host awards function to announce winners. Make DI presentations to schools/other educational institutions. 	<ul style="list-style-type: none"> At least one (1) Competition held annually. At least three (3) DI presentations to secondary schools/other educational institutions.
2.2 Policyholders Complementary Online Training Platform Developed	CPCB	Q1-Q4				<ul style="list-style-type: none"> Build-out 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. 	<ul style="list-style-type: none"> Training platform tested and report prepared for the COM..
			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 	<ul style="list-style-type: none"> Online training platform. successfully launched by year 2.



JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
2.3 Public Fora to Engage Member Institutions, Professional Intermediaries, On Deposit Insurance Ownership Categories to Increase Awareness on the Rules for Deposit Insurance Coverage Conducted	CPCB	Q3-Q4	Q3-Q4	Q3-Q4	Q3-Q4	<ul style="list-style-type: none"> Host public fora and prepare evaluation reports for submission to COM. 	<ul style="list-style-type: none"> Host at least one (1) public forum per financial year. At least 50 participants, staff of member institutions or professional intermediaries in attendance at each fora
2.4 Credit Unions Admitted to the Deposit Insurance Scheme (Contingent on the BOJ admission Timetable for Credit Unions)	CPCB	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Launch competition for secondary and tertiary students and promote the competition using print and social media. Host awards function to announce winners. Make DI presentations to schools/other educational institutions. 	<ul style="list-style-type: none"> At least one (1) Competition held annually. At least three (3) DI presentations to secondary schools/other educational institutions.
3. Strong Partnerships							
3.1 Delivered Regional Training/Seminar for IADI Members and Caricom Member States	RIR	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. 	<ul style="list-style-type: none"> Approval obtained from IADI Secretariat based on IADI's work plan. Logistical arrangements finalized. Theme finalized, presenters identified, and invitation issued. IADI knowledge event held



JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
3.2 Complete the Review of the Draft Service Level Agreement for Information Sharing with the Bank of Jamaica (contingent on BOJ and the passing of the FIRA)	MRA		Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Update the draft SLA and submit to COM for sign off. Submit draft SLA to BOJ for discussion and finalization. 	<ul style="list-style-type: none"> Commence review of the draft SLA to incorporate legislative changes that are taking place in the operating environment. Resubmit the updated SLA to the COM for approval. Resubmit the updated SLA to the BOJ for agreement and finalization.
B. Internal Processes Perspective							
4. Leveraging Information and Communication Technology for Operational Efficiency							
4.1 Digital Transformation Strategy Plan		Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Execute all initiatives under the Digital Transformation Strategy Plan (Refer to MIS Operational Plan). 	<ul style="list-style-type: none"> Initiatives under the Digital Transformation Strategy Plan to be completed by Q4 of FY027/28.



JDIC PERFORMANCE SCORECARD						
CORPORATE PLAN FY2024/25 - FY2027/28						
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028	

C. Learning and Growth Perspective							
5. Building Sustainable Human Resource Capacity and Change Competency							
5.5 Digital Transformation of HR (MyHR+ Implementation) implemented and Related change Management Enterprise-wide activated to support Digital Transformation Strategy	HRA, MIS, CEO's Office (Change Champion) and CPCB	Q1-Q4				<ul style="list-style-type: none"> Implementation of MyHR+ modules based on GOJ Transformation Implementation Unit (TIU) rollout plan: MODULES: Leave and Employee Requests (TBC) 	Module Go-Live date met on schedule.
			Q1-Q4	Q1-Q4		<ul style="list-style-type: none"> MODULES: Training, Performance Management, Disciplinary Action (TBC) 	Module Go-Live date met on schedule.
					Q1-Q4	<ul style="list-style-type: none"> MODULES: Talent Management and Recruitment (TBC) 	Module Go-Live date met on schedule.



JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
5.5 Digital Transformation of HR (MyHR+ Implementation) implemented and Related change Management Enterprise-wide activated to support Digital Transformation Strategy (Cont'd)	HRA, MIS, CEO's Office (Change Champion) and CPCB	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	<ul style="list-style-type: none"> Completed Digital Transformation Evaluation Plan. Change Champions and Plans activated for ALL Digital Transformation Projects and Change Management Framework implemented for each. Completed Staff Adaptation Survey (Pulse) and Change Management to support Digital Transformation for each new system/digital transformation Strategy initiative and update Training Plan and Action Plan. 	<ul style="list-style-type: none"> Evaluation and Action Plans completed on schedule. Change Management Reviews and Action Plans implemented on monthly schedule. Surveys and Action Plans completed as scheduled in Change Management Plans for each project.
5.6 Organizational Structure – Right-sized Establishment to Match Growing Scope and Complexity	HRA, CFCS					<ul style="list-style-type: none"> Approval obtained for establishment from 44 to 49 posts. Completed recruitment of staff for new roles. 	<ul style="list-style-type: none"> MoFPS approval of new posts obtained by May 31, 2024. Recruitment completed by July 31, 2024.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
5.7 Job Description Review and Compensation Benchmarking completed to Address Recruitment and Talent Retention Challenges	HRA, COM, Change Management Committee	Q1-Q4				<ul style="list-style-type: none"> Job Analysis and Description development and Streamlining Project (including necessary Job Evaluations) Total Rewards Benchmarking Study 	<ul style="list-style-type: none"> RFP created and issued by May 31, 2024. Project completion by September 30, 2024. RFP created and issued by May 31, 2024. Project completion by September 30, 2024.
5.8 Human Resource Policies, Guidelines and Procedures Framework and Controls updated and Modernised	HRA, COM, Change Management Committee	Q1-Q4				<ul style="list-style-type: none"> Critical HRM policies and procedures including Standard Operating Procedures (SOPs) for MyHR+ modules to be completed using internal resources. Overall review and update of HRM Policy Manual with help of external consultant and with support of Change Management framework. 	<ul style="list-style-type: none"> Critical Policy changes ratified by COM/Board by June 30, 2024 Updated HRM Manual implemented in accordance with a Roadmap Marcch2025
5.9 Administration							
5.9.1 ESG Solutions implemented for Solar and Environmental Management	CFCS, COM, Procurement, HRA			Q1-Q4		<ul style="list-style-type: none"> Procurement of a solar energy system completed by Q3 of FY2026/27 	<ul style="list-style-type: none"> Solar installation completed by March 31, 2024 (New Building)
				Q1-Q3		<ul style="list-style-type: none"> Subject matter expert contracted to assess the JDIC environment and assist in reviewing the JS ISO 14001:2015 and JD IS) 14005:2019 – EMS Guidelines to determine the requirements and develop an appropriate Plan for implementation. 	<ul style="list-style-type: none"> Action Plan implemented by Dec 2028 (New building).

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
5.10 Procurement							
5.10.1 GOJ ePPS/GoJEP for all Procurement and implement related initiatives	Procurement, HRA, Change Management Committee		Q1-Q4			<ul style="list-style-type: none"> 100% of Procurement needs on GoJEP, supported by updated policies and contract management. 	100% of Procurement needs on GoJEP by June 30, 2023
5.11 Records Management							
5.11.1 Records Management Policies, Digitization and Custody Plans Met	RIM Committee, MIS, HRA, Change Management Committee			Q3		<ul style="list-style-type: none"> Implementation of electronic records and information systems. 	Q3 of FY2025/26
D. Financial Perspective							
6.1 Accounting for Admission of Credit Unions to Deposit Insurance Scheme	FI	Q1-Q2				<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 branch review and verification by External Auditors 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. Complete the implementation of Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme. 	<ul style="list-style-type: none"> External Auditors verify research on the Accounting Policies and Procedures for the admission of Credit Unions to the Deposit Insurance Scheme by April 2024. Draft, finalize and submit Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme to COM by June 2024. Implement the Accounting Policies and Procedures for the admission of the Credit Unions to the Deposit Insurance Scheme in the Finance and Investment Section upon obtaining COM Approval.

JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
6.2 Deposit Insurance Fund Contingency Funding	FI	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 and verification with External Auditor of Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures. Obtain COM approval of Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures. Complete the implementation of Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures. 	<ul style="list-style-type: none"> External Auditors verify research on the Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures by August 2024. Draft Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures, finalized and submit to COM by September 2024. Implement Deposit Insurance Fund Contingency Funding Accounting Policies and Procedures in the Finance and Investment upon obtaining COM Approval.
6.3 Accounting Policies, Procedures and Systems for Resolution Fund Management	FI	Q3-Q4				<ul style="list-style-type: none"> Review with MRB and BOJ the legal framework for the Resolution Fund. Complete the research & draft of Resolution Fund Accounting Policies and Procedures. Complete the branch review and verification with the External Auditor of Resolution Fund Management Accounting Policies and Procedures. Obtain COM approval of Resolution Fund Management Accounting Policies and Procedures. Complete the opening of separate Bank Accounts and General Ledger, and update of Chart of Accounts for Resolution Fund Management. 	<ul style="list-style-type: none"> External Auditors verify research on the Resolution Fund Accounting Policies and Procedures. Draft, finalize and submit Resolution Fund Management Accounting Policies and Procedures, to COM. Open Bank Accounts and General Ledger and finalize the Chart of Accounts for Resolution Fund Management.



JDIC PERFORMANCE SCORECARD							
CORPORATE PLAN FY2024/25 - FY2027/28							
BUSINESS STRATEGIES Key Initiatives (Outcomes)	Branches/ Section(s)	Implementation Time Frame Projection				Key Performance Indicators (KPIs) (Outputs)	Measures
	Action By:	2024- 2025	2025- 2026	2026- 2027	2027- 2028		
6.4 Accounting Policies and Procedures for Compensation Schemes for Non-deposit Taking Institutions	FI			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 and verification by the External Auditor of Accounting Policies and Procedures for the compensation schemes for Non-Deposit Taking Institutions. 	To be developed contingent on the implementation of a Contingency Fund.
					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. 	

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.