

November 6, 2018

**The Acting Chair's Summing Up  
Jamaica—Financial System Stability Assessment  
Executive Board Meeting 18/90  
November 5, 2018**

Executive Directors concurred with the main findings and recommendations of the Financial System Stability Assessment (FSSA). They commended the authorities for the progress made in the implementation of the reform program since the 2006 FSSA.

Directors noted that the financial sector is sizeable and complex, and dominated by large intra- and inter-connected financial conglomerate groups with cross-border linkages. They agreed that the financial sector overall shows broad resilience, and the main risks arise from exposure to natural disasters, the tightening of global financial conditions, and a possible reversal of fiscal discipline driven by reform fatigue. Directors cautioned that, given the increased interconnectedness of the financial sector and associated risks of contagion, priority should be given to intensified oversight and consolidated risk-based supervision, especially of systemically important groups with systemically important connections.

Directors underscored the importance of improved data sharing, cooperation, and coordination with regional supervisors, in particular for those affecting systemically important groups. They emphasized the importance of an effective oversight framework together with heightened commitment to transparency and accountability. Work reinforcing the resilience of securities dealers, the deepening of capital markets and broadening of instruments to manage credit, liquidity and market risks should continue.

Directors encouraged efforts to expand skilled supervisory resources, highlighting that all supervisory agencies need to expand their capacity to fulfill their current mandates and new demands. They noted that data collection also needs to be strengthened to further facilitate the monitoring of risks of a complex group-based financial system, and to conduct sound financial stability analyses and risk assessments.

Directors welcomed progress on the crisis preparedness and resolution management frameworks, but highlighted that the reforms are incomplete. They underscored the need for further work to clarify several key aspects and properly sequence the work on recovery planning, resolution plans, and resolvability assessments. Directors agreed that system-wide preparation for a systemic crisis is an area that requires the authorities' attention.

Directors welcomed efforts to maintain correspondent banking relationships in Jamaica, including through ongoing strengthening of the AML/CFT framework.