PUBLIC CONSULTATION PAPER

Proposed Standards of Sound Practice on Corporate Governance for Regulated Entities

Consultation period: 08 July – 06 August 2026

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1.0 INTRODUCTION AND BACKGROUND

1. Sound corporate governance is a cornerstone of a stable, transparent, and well-functioning financial sector. It underpins the integrity of regulated entities, protects the interests of investors, policyholders, pension plan members and clients, and supports public confidence in Jamaica's financial system.

2. At present, corporate governance requirements applicable to entities regulated by the Financial Services Commission ("FSC" or the "Commission") are dispersed across a range of primary and secondary legislation governing the securities, insurance, pensions, and trust and corporate services provider ("TCSP") sectors, with no single, consistent statement of expectations. Recent events in Jamaica's financial sector have underscored the risks that can arise where governance obligations are not centralised, clearly articulated, and consistently applied.

3. The Commission is therefore proposing to issue *Standards of Sound Practice on Corporate Governance for Regulated Entities* (the "proposed Standards"), which will consolidate binding corporate governance obligations across all regulated sectors and align Jamaica's regulatory framework with international standards and best practice.

4. This Consultation Paper sets out the background, rationale, and key elements of the proposed Standards, together with instructions on how to respond. The Commission invites regulated entities, industry associations, professional bodies, and other interested stakeholders to review the proposed Standards and to share their views.

5. Your feedback is an important part of ensuring that the proposed Standards are clear, proportionate, and workable across the diverse range of entities the Commission regulates. We look forward to your participation in this consultation. A comprehensive corporate governance framework is essential to the effective supervision and regulation of financial institutions, and to ensuring stability, transparency, and accountability within the financial sector.

6. The Commission is proposing Standards of Sound Practice on Corporate Governance for Regulated Entities as a direct response to these identified gaps. The proposed Standards are attached to this Consultation Paper.

2.0 RATIONALE FOR THE PROPOSED STANDARDS OF SOUND PRACTICE ON CORPORATE GOVERNANCE

7. The absence of a centralised and consistent corporate governance framework gives rise to significant regulatory and supervisory risks, including non-compliance with international standards, weak risk management practices, and increased susceptibility to fraud and mismanagement. The proposed Standards are intended to address these deficiencies and to achieve the following outcomes:

    - consolidate corporate governance expectations across all regulated sectors into a single, coherent framework;
    - align Jamaica's regulatory framework with international standards set by the International Organization of Securities Commissions ("IOSCO"), the G20/Organisation for Economic Co-operation and Development ("OECD"), the International Association of Insurance Supervisors ("IAIS"), the International Organisation of Pension Supervisors ("IOPS"), and the the Group of International Finance Centre Supervisors ("GIFCS"); and
    - strengthen oversight, market discipline, and operational resilience across the financial sector.

8. A jurisdictional comparison conducted across nine (9) regional and international counterparts found that each of the assessed jurisdictions has issued a dedicated corporate governance instrument (whether styled as a rule, guidance note, guideline, or code of practice) applicable to their regulated sectors. This further supports the case for the Commission to issue the proposed Standards, consistent with regional and global practice.

3.0 SCOPE AND KEY ELEMENTS OF THE PROPOSED STANDARDS

9. The proposed Standards will apply to all entities regulated by the Commission across the securities, insurance, pensions, and TCSP sectors, and will establish minimum expectations for sound corporate governance covering:

   - corporate governance framework development and implementation;
   - objectives and strategies of the regulated entity;
   - structure and governance of the governing body;
   - allocation of oversight and management responsibilities;
   - independence and objectivity;
   - collective duties of the governing body;
   - duties of individual directors;
   - appointments and delegation of functions;
   - risk management and internal control systems;
   - conflicts of interest and codes of conduct;
   - remuneration policy and practices;
   - financial and regulatory reporting;
   - transparency and communication; and
   - duties of senior management.

10. As the proposed Standards will apply uniformly across sectors with distinct operational characteristics, governance structures, and risk profiles, the Commission is particularly interested in stakeholder feedback on the proportionality and practical application of the proposed Standards within respondents' respective sectors.

4.0 INTERNATIONAL AND REGIONAL ALIGNMENT

11. The proposed Standards have been developed with reference to international best practice and the corporate governance frameworks of comparator jurisdictions. The Commission considers that aligning with recognised international standards will strengthen market confidence, support Jamaica's standing with international standard-setting bodies, and facilitate cross-border regulatory cooperation.

5.0 HOW TO RESPOND TO THIS CONSULTATION

5.1 Who May Respond

The Commission welcomes submissions from all interested stakeholders, including regulated entities, industry associations, professional and trade bodies, legal and compliance practitioners, and members of the public. Respondents are encouraged, where practicable, to submit consolidated feedback through their relevant industry association.

5.2 Submitting a Response

Submissions must be made using the response template at Annex A and forwarded by email to Mr. Paul McAllister at respol@fscjamaica.org on or before 5 August 2026. Submissions received after the close of the consultation period may not be considered.

5.3 Format of Responses

To ensure that all feedback receives due consideration, respondents are asked to structure submissions by reference to the specific section of the proposed Standards being addressed, and to ensure that comments are unambiguous, clearly articulated, and supported by fact or evidence. Where a submission seeks to change a proposed policy position or materially amend a requirement, the respondent should provide supporting rationale or evidence for the Commission's consideration.

The table below illustrates the Commission’s expectations regarding the form of feedback. The example is illustrative only and does not reflect the content of the proposed measures.

Example of a helpful comment	Examples of comments needing more support
The term "business day" is used in paragraph 3.1 but is not defined in the definitions section, and it is unclear whether it excludes public holidays. This creates uncertainty as to how the stated time period is to be calculated. Suggested wording: that "business day" be added to the definitions section and defined as "any day other than a Saturday, Sunday, or public holiday in Jamaica."	✗ This is not what is done in other jurisdictions. ✗ I don’t think the requirement should apply. ✗ The Commission has not considered industry views.

5.4 Confidentiality

Submissions will be treated as confidential and will not be published in attributed form. The Commission may, however, publish a summary of the feedback received and of how it has been addressed, on a non-attributed basis, in the interest of transparency. The Commission may also be required to disclose submissions where compelled to do so by law.

7.0 CONTACT INFORMATION

Should you have any queries regarding this consultation, please contact:

Mr Paul McAllister
Senior Director, Research and Policy Division
Financial Services Commission
Email: respol@fscjamaica.org

The Commission thanks all respondents in advance for their time and engagement in this important consultation.

Annex A — Response Template

The template should be completed as one entry per respondent. Additional rows or copies of the template may be used as required to capture multiple comments, as needed. Please submit the completed template by email to respol@fscjamaica.org on or before 5 August 2026.

Respondent name	[Individual or organisation name]
Organisation / capacity	[e.g. regulated entity, legal practitioner, industry body, member of public]
Contact email	[email address]
Instrument	Proposed Standards of Sound Practice on Corporate Governance for Regulated Entities
Section / paragraph reference	[e.g. Licensing Requirements, para. 10]
Comment and supporting rationale	[State your comment clearly and unambiguously]
Suggested wording (if applicable)	[Proposed alternative wording]