

## Foreword

On 26 and 27 January 2006, the BIS, in collaboration with the Bank of Jamaica, hosted a meeting for senior central bankers in Kingston, Jamaica, under the broad theme “Evolving banking systems in Latin America and the Caribbean: challenges and implications for monetary policy and financial stability”. The meeting was chaired by Már Gudmundsson, Deputy Head of the Monetary and Economic Department of the BIS, with the purpose of discussing how the smaller economies of Latin America and the Caribbean (LAC) have dealt with the transformation of their financial system during the last decade.

The meeting in Kingston was the first held in the Caribbean but the third of its kind since the inauguration of the BIS Representative Office for the Americas in Mexico City in November 2002. This series of meetings focuses on issues of particular interest to central banks in small open economies of the region, with the benefit of occasional participation by central banks from some of the larger economies that have expertise in a given area. Previous meetings, held in Mexico City in 2003 and Antigua, Guatemala, in 2005 focused respectively on fiscal policy and central banks, and the implications of financial globalisation for monetary policy and financial stability.

Four main issues related to structural changes in the banking system were discussed in Kingston: first, their effects on banking sectors and credit availability; second, their implications for the management of financial risk; third, their implications for the conduct of monetary policy; and, finally, their implications for prudential policies.

Given the general interest in these topics and the difficulty of finding data and information on the smaller countries of the region, we are publishing, for the first time, the background notes prepared for the meeting in this *BIS Papers* series.

We would like to thank all participants in the meeting for their valuable contributions to the discussions and for the extensive data they provided in order to make this publication possible. In particular, we would like to thank the Bank of Jamaica, without whose dedicated staff and generous hospitality the meeting would not have been possible.

Már Gudmundsson  
Deputy Head  
Monetary and Economic Department

Gregor Heinrich  
Chief Representative  
Office for the Americas