



**OPENING REMARKS BY  
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**Single Insurance and Pension Market Project (SIPMP)  
Change Management Strategy Meeting**

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(ECCB Headquarters)*

**Salutations:**

This meeting has been in the making for some time and I am pleased that we are all finally here. I apologise for my physical absence, but I am nonetheless happy to join you by phone for, at least, part of today's proceedings.

Colleagues, two weekends ago I was in Basel, Switzerland for the Annual Meetings of the Bank for International Settlements. Those Meetings, as some of you are aware, bring together regulators from all over the world and the following standard setting bodies: Financial Stability Board, Basel Committee on Bank Supervision, Committee on Payments and Market Infrastructure, International Organisation for Securities Commissions, International Association of Insurance Supervisors (IAIS) and the International Association of Deposit Insurers.

Though acknowledging noteworthy progress, the meetings focused on the need to complete, the Post Global Financial Crisis Reform Agenda. In short, there is still some unfinished business – not just to minimise the risks of certain recurrences but also to prepare for the next crisis.

Those of us who have toiled in the vineyard of financial sector regulation know only too well, that like hurricanes, crises will occur from time to time. But we must do our utmost to minimise those risks and we must build resilience.

We must be prepared.

Johnathan Dixon, Secretary General of the International Association for Insurance Supervisors indicated that the current priorities of the IAIS included:

- Developing a common framework for groups,
- Developing a framework for the migration of systemic risk, and
- FINTECH and Cyber-resilience.



Regarding the latter, I commend your attention to the IAIS report on FINTECH developments in insurance that was published last year (2017). Against this backdrop and from my vantage point, my key messages to you, this morning, are as follows:

1. **We too have unfinished business in the ECCU.** Following the debacle of BAICO and CLICO, the Monetary Council determined that we should proceed to establish a single regulator for insurance, pension funds and, ultimately, for credit unions to be called the Eastern Caribbean Financial Services Commission. To that end, we would also need a uniform insurance law.

Colleagues, the stark reality is that almost 10 years after the global financial crisis and the ensuing BAICO/CLICO debacle, the ECCU has neither a regional regulator for insurers nor a uniform insurance law. Needless to say, we definitely have unfinished business.

If we were to reflect on the past 10 years, we would readily recognise the interconnectedness of our financial sector, we would also recognise the vulnerabilities in our system and we ought to recognise that we are not quite prepared should a similar situation arise. Evidently, we do have some urgent unfinished business.

2. **The work on which we are engaged is truly bigger than all of us.** I salute and pay tribute to you for the work you have done and are doing, in the area of financial system supervision, this is an important work, but I think you know as well as I do, that this work is not about us but our region and the people we serve – their protection and enhanced quality of life. For example, the work that the ECCB is currently undertaking on deposit insurance is intended to add an important safety net in our banking system.

I am on record, from day one, stating that my desire to see our work on deposit insurance extend to credit unions. Of course, for that to become a reality, the sector would have to meet certain regulatory expectations and requirements.

Ultimately, the important work that we are doing and must do, is about our sustained growth and shared prosperity. May that firm understanding compel us and propel us to create a legacy that will endure well beyond our time of service.



3. **Regional cooperation is the only viable and effective way forward.** As I sat in Basel and listened to the various heads speak about their work, I was struck by the level of cooperation within the international community. Many of the participants are from large countries with well-developed and sophisticated financial systems, and yet, they understand that individual country action is not enough. They understand that there is an imperative to come together and take collective action to minimise contagion risk in an international financial system that is highly interconnected and yet increasingly diversified. And so, it seems to me colleagues, that within the ECCU, we have a duty, an obligation and I hope, a sense of urgency, to pursue regional cooperation on financial sector regulation.

I have said from the outset that I do not feel that the development of a regional regulator would disenfranchise country national regulators because I see it filling critical gaps and securing critical mass for the demanding task of integrated and cross-border financial sector regulation. These enhanced resources (actuarial, legal or otherwise) cannot typically be found in any one country. Indeed, our best prospect, like the ECCB has demonstrated over the past 35 years, is for us to come together and work together.

In sum, my expectations for today at this change management session and, tomorrow, at our meeting of the Regulatory Oversight Committee (ROC) are for us to reflect on: from whence we have come, where we are now and acquire a sense of urgency about taking collective action to secure our financial system.

With that in mind, I urge your support to complete the implementation of the SIPMP. In so doing, we would secure a strong legacy for generations to come.

These then are my opening remarks. Again, I thank each of you for coming and for your attention.