

IMF team to help B'dos in financial sector review

■ BRIDGETOWN

THE Barbados government has confirmed that a team from the International Monetary Fund (IMF) will join local regulators to inspect the financial sector in that country.

Minister in the Ministry of Finance, Ryan Straughn, speaking in Parliament on Tuesday, said that the IMF team will be joined by those from the Central Bank of Barbados (CBB) and the Financial Services Commission (FSC) in undertaking the assessment of the island's entire financial sector. Straughn gave little details of the assignment but said that the regulators will test the strength of the sector which includes insurance companies, commercial banks, credit unions, mutual funds, securities and other financial services operations.

Straughn said the assessment would be an examination of where 'we stand in relation to the things that we have done under this very IMF programme'.

Piloting the Insurance (Amendment Bill) 2025, the junior finance minister said greater attention will be paid to effective supervision of the entire insurance sector, the minister said local regulators will be operating in conjunction with their regional counterparts, given the level of cross-border investments by companies.

But he acknowledged that in order to 'open areas for opportunities and growth,' interventions will be necessary to help the local 'financial system to be more robust.

'We on this side are cognisant that you have to be flexible in an environment that, globally, is clearly unfolding. And therefore, in that evolution of the external environment, we must make sure that we have the right data, we have the right partnerships, we're working cross-border to ensure this close-up collaboration between regulators in Barbados, regulators across the rest of the Caribbean, and even globally, because it doesn't make sense for us to not have those working relationships.'

He reminded legislators of the collapse of Trinidad-based CL Financial and its subsidiary CLICO in Barbados, saying that, as a consequence, a more extensive regulatory framework has been established.

'Out of the experience that we saw with the demise of CLICO here in Barbados, and how that was allowed to be partitioned, it cannot happen again,' he said, adding that the FSC would be given 'more flexibility to do a range of things in relation to the risk management of insurance companies' as it works 'more collaboratively with other supervisors across the region and internationally to ensure that the industry can be regulated appropriate to the risk that they are specifically taking'.

He said this approach to regulation of the sector was one that the administration supported and that the regulatory environment was not one that was intended to stifle the sector's growth.

'We must now come to the realisation that...to come to the people of Barbados, we must be able to demonstrate the seriousness that is required to manage a complicated economy and a complicated world,' he told legislators.

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