

## What's New at IADI?

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**BẢO HIỂM TIỀN GỬI VIỆT NAM**  
DEPOSIT INSURANCE OF VIETNAM

## IADI Welcomes Its Newest Member

The Executive Council is pleased to announce that **Deposit Insurance of Vietnam** (DVI) has become its 26<sup>th</sup> Member. Vietnam introduced deposit insurance in March 2000 by requiring all financial institutions that accept deposits to purchase deposit insurance. The Designated Representative of DIV is Mr. Do Khac Hai, the Chairman of the state financial corporation.

## IADI Partners with IMF, EBRD, The Toronto Centre and EFDI

The Chair of the Executive Council and President of IADI, J. P. Sabourin, is pleased to announce that the **International Monetary Fund** and the **European Bank for Reconstruction and Development** have become Partners. As well, IADI has entered into partnership arrangements with **The Toronto International Leadership Centre for Financial Sector Supervision** and the **European Forum of Deposit Insurers**. Mr. Sabourin said that "it is important for IADI to strengthen and formalize its links with international organizations that are interested in financial stability issues. These partnerships will provide opportunities for deposit insurance practitioners to help policymakers strengthen the effectiveness of deposit insurance arrangements globally."

**Deposit Insurance of Vietnam joins IADI as a Member**

**IADI forms partnerships with EBRD, IMF, The Toronto Centre and EFDI.**

**IADI and the EBRD hold successful Seminar on Deposit Insurance for Central Asia and Mongolia**

**Update on CDIC international survey**

**Details on the Second Annual IADI Conference coming soon**

## Sharing Deposit Insurance Expertise!



Participants at IADI/EBRD Seminar on Deposit Insurance January 29-31, 2003 in Basel, Switzerland

IADI and the **European Bank for Reconstruction and Development** held a most successful **Seminar on Deposit Insurance** for Kyrgyz Republic, Tajikistan, Kazakhstan, Uzbekistan, Azerbaijan and Mongolia. The seminar took place on January 29-31, 2003 in Basel at the Bank for International Settlements.

The Seminar was chaired by J.P. Sabourin, Chair of the Executive Council and President of IADI and President and Chief Executive Officer of **Canada Deposit Insurance Corporation**. Presentations covered financial system issues in central Asia by Allan Popoff, Portfolio Manager and Senior Banker, **EBRD**, deposit insurance and the financial safety net by William White, Economic Adviser, **Bank for International Settlements**, a presentation on the FSF Final Report on guidance for establishing and maintaining effective deposit insurance systems by Secretary General Ray LaBrosse, and conditions for an effective deposit insurance system by Hajime Shinohara, Deputy Governor, **Deposit Insurance Corporation of Japan**.

There were technical presentations dealing with structure and organization, coverage, funding, membership, two case studies on transitioning from blanket guarantees, reimbursing depositors, interrelationships and failed-bank resolutions. IADI was also represented by Roumyana Markova, (**Deposit Insurance Fund** of Bulgaria), Josef Tauber, (**Deposit Insurance Fund Czech Republic**), András Fekete-Györ, (**National Deposit Insurance Fund** of Hungary), and Valeryi Ogiyenko (**The Household Deposit Insurance Fund** of Ukraine). The delegates also heard about lessons learned by deposit insurers by J.P. Sabourin (**Canada Deposit Insurance Corporation**) and the mission, vision and work plans of IADI from Secretary General Ray LaBrosse. The program and PowerPoint presentations are located at: <http://www.iadi.org/html/Default.aspx?MenuID=117>.

Details on the **Second Annual IADI Conference**, which will take place in **Seoul, Korea** on October 23 and 24, 2003, will be available soon. The host of the Conference is the **Korea Deposit Insurance Corporation**. If you have any suggestions on topics that you would like to have addressed please send an email to [info@iadi.org](mailto:info@iadi.org).

## **CDIC International Survey – Update**

**Canada Deposit Insurance Corporation** has developed an on-line survey on deposit insurance. The purpose of the survey is gather information from entities that provide deposit insurance, depositor protection or depositor guarantee arrangements throughout the world. The information will be shared globally, which will help policymakers and practitioners draw on approaches that have been used elsewhere. It will also form a body of knowledge that will facilitate practitioner-focused research aimed at identifying effective deposit insurance practices. The survey includes 163 questions and 47 deposit insurers have responded to the questionnaires so far. If you have not already responded to the survey you can do so by going to the following location: <http://www.cdic.ca/?id=285>.

## **What is happening in your World?**

### **Hungary**

The insurance limit HUF 1 million (USD 4,300) on the capital and interest for deposits that have been frozen was increased to HUF 3 million (USD 13,000) on January 1. Dániel Jánossy, Managing Director, **National Deposit Insurance Fund**, said that the limit will eventually increased to HUF 6 million upon Hungary's accession to the European Union.

In addition, the stability of the Hungarian banking system has led to a significant reduction in fees charged by the NDIF; the average fee is expected to drop to 0.02% of deposits of institutions insured by the fund from 0.06% in 2002. The legal maximum for the fee is 0.2%.

## **Bulgaria**

In December 2002, there were two legislative changes affecting the **Deposit Insurance Fund** (DIF). The first provided for an increase in the insured amount of deposits from BGN 10,000 (EUR 5,110) up to BGN 15,000 (EUR 7,670), which is in line with the commitments undertaken by the Bulgarian government relating to its accession to the European Union.

The second involved the enforcement of the new Law on Bank Bankruptcy, which assigns the DIF the administration of bank bankruptcy proceedings; previously the administration was operated by the courts. Under the new Law, the DIF exercises control over the trustee by appointing and removing a bank's trustee, determining his remuneration, approving the expense budget and monitoring its performance, controlling transactions made by the trustee, issuing instructions and conducting on-site inspections. The Law aims at expediting the bankruptcy proceedings and enhancing transparency in the process.

Effective February 1, 2003 the new Chairman of the Management Board of the DIF is Bisser Manolov who succeeds Mileti Mladenov. IADI wishes to extend its appreciation to Dr. Mladenov for his role in founding the Association, his contribution to the Executive Council and his chairmanship of the Standing Committee on Membership and Communications. A warm welcome is extended to Mr. Manolov.

## **Jamaica**

The premium rate payable by institutions insured by the **Jamaica Deposit Insurance Corporation** was increased from 0.10% to 0.15% of the institutions' insurable deposits on August 20<sup>th</sup>, 2002.

## **Canada**

The Auditor General announced the winner of the 2002 Auditor General's Award for Excellence in Annual Reporting. Export Development Canada won the award; **Canada Deposit Insurance Corporation** and Farm Credit Canada were finalists in the category of larger Crown Corporations.

The award was launched in 1994 to recognize and reward exemplary achievement in annual reporting among Crown corporations as well as to promote better performance reporting within this community. The reports are judged against a range of objective criteria that includes content, quality of information and presentation.

## **Official Opening of IADI Head Office**

On January 28, 2003 the IADI Head Office was officially opened at the **Bank for International Settlements** in Basel.

J.P. Sabourin enjoys the new surroundings with Gunter Baer, Secretary General, BIS.



## **The Future of Financial Regulation: Structural Reform or Status Quo?**

A March 13, 2003, symposium – "The Future of Financial Regulation: Structural Reform or Status Quo?" – will evaluate the U.S. financial regulatory system. The symposium will examine the current financial regulatory structure, identify challenges and obstacles to reform, and explore alternatives for the future.

This event continues a year-long study of the future of banking that the **Federal Deposit Insurance Corporation** began in October 2002. A key component of this study is looking at how the FDIC expects the financial regulatory structure to evolve to meet the needs of a changing marketplace. While the financial industry and the laws that regulate it have been profoundly reformed over the last decade, the financial regulatory system has seen little change.

Is the current system in need of reform or does it reflect a uniquely American approach to a complex task? The symposium will examine questions like this and call on the opinions of a wide range of experts, including academics, current and former regulators, as well as political and industry leaders. The symposium is open to the public free of charge, but space is limited. Details are available at: [http://www.fdic.gov/news/conferences/rrs\\_announcement.html](http://www.fdic.gov/news/conferences/rrs_announcement.html).

### **Corporate Governance: Implications for Financial Services Firms**

The **Federal Reserve Bank of Chicago** has invited the submission of research and policy-orientated papers for its 39<sup>th</sup> annual Conference on Bank Structure and Competition to be held on May 7-9, 2003. The conference aims to encourage an ongoing dialogue on current public policy issues affecting the financial services industry. Details on the conference can be found at: <http://www.chicagofed.org/newsandevents/conferences/index.cfm>.

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J.P. Sabourin and Office Manager Kim Utnegaard promoting the IADI corporate identity.

*This newsletter was issued on February 18<sup>th</sup>, 2003. Want to share your expertise? To submit articles or items for consideration for the next issue please send them to [info@iadi.org](mailto:info@iadi.org), by March 15, 2003.*