



Highlights:

IADI welcomes the Deposit Guarantee Fund in the Banking System (Romania)

The [IADI Fourth Annual Conference Website](#) is now ready!

Profile on the Asia Regional Committee

Update and Program of the DICJ Open House event

Welcome to our newest Member:

Deposit Guarantee Fund in the Banking System (Romania)



FONDUL DE GARANTARE A DEPOZITELOR IN SISTEMUL BANCAR

The Executive Council is pleased to announce that the **Deposit Guarantee Fund in the Banking System** has joined **IADI** as a **Member**. Welcome!



Alexandru Matei, General Director

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One of the main developments during 2004 was the amendment to the legal framework for the **Deposit Guarantee Fund in the Banking System**. The aim of the changes was to harmonise the existing provisions with those of the European Union legislation. In this respect, on 1 July 2004, Law No. 178/2004 was entered into force and it

amended and supplemented the Government Ordinance No. 39/1996, on the establishment and functioning of the [Deposit Guarantee Fund in the Banking System](#). The innovations introduced by this law consist of:

- **gradually increasing of the guarantee ceiling** (i.e. in 2005, the equivalent in Romanian currency of **EUR 10,000**) so that in the year 2007, (the year of Romania's foreseen accession to the European Union) the guarantee ceiling per guaranteed deposit is to reach the minimum level provided by the Directive No. 94/19/EC – the equivalent in Romanian currency of **EUR 20,000**;
- **broadening of the guarantee** by including entities with or without legal personality in the category of guaranteed deposits, except for the holders of the non-guaranteed deposits as provided for in the law;
- **broadening of the law as to its enlargement by including all categories of credit institutions**, such as the central houses of credit cooperatives, including the affiliated credit cooperatives;
- **the possibility to appoint the Fund as a special administrator or liquidator of credit institutions**. The Fund is currently the liquidator of two banks - Banca Turco-Romana and Banca Romana de Scont;
- the **diversification** of the Fund's investment portfolio;
- **gradually decreasing of the contributions due to the Fund by the credit institutions** participating in the deposit guarantee scheme in Romania (at present, 39 members).

Over **52 per cent of the deposits placed by the public** (almost 9.9 million deposit holders, both individuals and legal entities) with the credit institutions in Romania as of 31 December 2004, are guaranteed by the Deposit Guarantee Fund in the Banking System, within the limit of the guarantee ceiling of the equivalent in Romanian currency of EUR 10,000, valid for 2005.

By end 2004, the Fund had repaid compensations to almost 330,000 individuals - depositors with 6 banks declared bankrupt during 1998 – 2002.

What's New in Your World?

Save the Date! 27 – 29 September 2005, Taipei

The **Fourth Annual IADI Conference** will be hosted by **Central Deposit Insurance Corporation** and held in Taipei from 27 to 29 September 2005.

The theme will be "**Challenges for Deposit Insurers in Resolving Bank Failures**" Program details will be available soon on [the Conference website](#) (http://www.cdic.gov.tw/2005iadi_conference)

and [IADI's website](#)



You may already visit [The 2005 IADI Conference website](#)

Canada Deposit Insurance Corporation



A dinner in honour of **JP Sabourin** was held at the Toronto Club on 2 March, on the occasion of his retirement as President and CEO of **CDIC**. Mr. Sabourin was presented a letter from Prime Minister of Canada, the Honourable Paul Martin, congratulating him on his retirement and recognizing his important international work over the years. The Secretary General of IADI took the occasion to recognize JP's achievements in the international area through the presentation of a gift that highlighted Mr. Sabourin's involvement in bilateral initiatives, conferences and IADI.

Commander Winston Carr of **JDIC** presented Mr. Sabourin with a special citation signed by the **IADI Members**, recognizing JP's personal contribution, dedication and outstanding performance; and wishing him a happy and fulfilling retirement.

Fondo de Garantías de Instituciones Financieras (Colombia) FOGAFIN

Juan Pablo Cordoba has informed us that he will be leaving **FOGAFIN** to head the Colombian Stock Exchange. We wish Juan Pablo every success with this new challenge, and take the opportunity to thank him for his support of the Association. Juan Pablo was a Member of Executive Council, and has been a valued member of the Finance and Planning Committee, Research and Guidance Subcommittee on Resolution of Failed Banks, and the Research and Guidance Subcommittee on FSAP's. Juan Pablo Cordoba shall be succeeded by **Juan Ricardo Ortega**, Colombia's former Deputy Minister of Finance. IADI is looking forward to working with Mr. Ortega, who can be reached at: jortega@fogafin.gov.co, Tel. +(57-1) 339 42 40 / 114.

Deposit Insurance Agency (Albania)

We would like to inform you that **Arian Kraja** has left his position with the **Deposit Insurance Agency (Albania)**. Arian served as a Member of the Executive Council, Membership and Communications Committee, Training and Conference Committee, as well as on the 2005 Conference Taskforce. IADI would like to wish Arian every success in his future.

The Supervising Authority (The Bank of Albania) has assigned **Silvana Sejko**, as the new General Manager and Member of Board of Directors of the Deposit Insurance Agency (Albania). Silvana Sejko replaces Mr. Kraja on the IADI Executive Council, and we look forward to meeting Silvana at the upcoming meetings in Basel in April 2005! Silvana Sejko's contact details. are ssejko@dia.org.al Tel: +355 68 20 44 253.

Link to [Silvana Sejko's Bio](#).

Deposit Insurance Corporation of Japan (DICJ)

The Chair of Asia Regional Committee (ARC), Hajime Shinohara of **Deposit Insurance Corporation of Japan (DICJ)**, visited **Bank of Thailand (BOT)** and **Deposit Insurance and Credit Guarantee Corporation (DICGC)** on 16 and 17 February 2005, respectively.

In Bangkok, Thailand, as the first IADI Member visitor to **BOT** after its application was approved, Mr. Shinohara offered his congratulations on **BOT's** involvement in IADI as an **Associate**. He also welcomed on BOT's participation in the Asia Regional Committee. Both of the institutions entered into an agreement to enhance future collaboration in the IADI and ARC activities. Mr. Shinohara also visited **DICGC** in Mumbai, India and had a meeting with the Chairperson, **K. J. Udeshi** and other executives. The talk between two institutions was very fruitful. They concluded to keep close communication and to intensify mutual cooperation in the future



Hajime Shinohara, in Bangkok, Thailand, with **R. Pridiyathorn**, the Governor of **BOT**, and **Swangchit Chaiyawat**, the designated representative to IADI from **BOT**

Deposit Insurance Corporation of Japan (DICJ) Central Deposit Insurance Corporation (CDIC, Taiwan)

Deposit Insurance Corporation Japan (DICJ) visited **Central Deposit Insurance Corporation (CDIC, Taiwan)** to enhance regional cooperation.

To enhance regional cooperation and deliberate the issues in preparation of the upcoming IADI Annual Conference and Asia Regional Committee (ARC) annual meetings, **Hajime Shinohara**, Deputy Governor of **DICJ** and Chair of ARC, together with **Shinichi Sakai**, Manager of International Affairs of DICJ, paid a visit to **CDIC Taiwan** from 18 to 21 February. The two corporations not only reached a mutual consensus for further collaboration, but they also discussed the preparations for **the 2005 IADI 4th Annual Conference** as well as the **ARC 3rd Annual Meeting** to be hosted by **CDIC** in the Grand Hotel, Taipei in September this year. Progress of two on-going regional research projects chaired by **CDIC**, namely, **"Transitioning from Blanket Guarantee to Limited coverage system"** and **"Source of Liquidity for Deposit Insurance Fund,"** was also discussed and these two research projects are scheduled to be presented in the **ARC 3rd Annual Meeting**.

Chairman **Chin-Tsair Tsay** of CDIC, in particular, expressed its appreciation to **DICJ's** efforts and contributions on the promotion of the IADI Annual Conference during their visits to **Bank of Thailand** and Deposit Insurance & Credit Guarantee Corporation in India. Also, CDIC is planning to advance the invitation to the IADI Conference to all participants of the DICJ Open House in March.



Johnson Chen, President of CDIC, Hajime Shinohara, Chin-Tsair Tsay, Chairman of CDIC, and Shinichi Sakai (from left to right) in the offices of **CDIC Taiwan**.



Hajime Shinohara, Chin-Tsair Tsay and staff of **CDIC** and **DICJ** in the Grand Hotel, venue of the next IADI and ARC annual meetings.

Central Deposit Insurance Corporation (CDIC, Taiwan)

The **Central Deposit Insurance Corporation** held a public seminar in Taichung city (central Taiwan) on 5 March 2005. The purpose of the seminar was to educate depositors on the scope, coverage and related issues regarding the deposit insurance system after the expiration of the provision of the blanket guarantee that will begin after July 2005.



Several experts were invited as guest speakers and gave valuable insights to the audience. The reaction was enthusiastic and the public awareness-arousing program was a resounding success.



CDIC Chairman Chin-Tsair Tsay (middle), together with other speakers, held the official deposit insurance logo for arousing public awareness of the reinstatement of limited coverage after July 2005.



An enthusiastic audience during the Seminar.

Profile of the Asia Regional Committee

1. Objective

The main purpose of the **Asia Regional Committee (ARC)** is to reflect regional interests and common issues through sharing and exchanging information and ideas. The **ARC** performs such functions in terms of promoting the objects of IADI and acts in the best interests of the Association.

2. Composition

The **ARC** consists of fourteen IADI participants in the region, including six members, six associates and two partners. Especially the **ARC** would like to put a special emphasis on **Bank of Thailand's** participation in the Committee as from February 2005.

ARC Members

Hajime Shinohara (Chair)	Deposit Insurance Corporation of Japan
Chin-Tsair Tsay	Central Deposit Insurance Corporation
Do Khac Hai	Deposit Insurance of Vietnam
Bakhyt Mazhenova	Kazakhstan Deposit Insurance Fund
Dong-II Kim	Korea Deposit Insurance Corporation
Ricardo M. Tan	Philippine Deposit Insurance Corporation



ARC Associates

Alberto V. Reyes	Bangko Sentral ng Pilipinas
Nor Shamsiah Yunus	Bank Negara Malaysia
Alagiin Batsukh	Bank of Mongolia
Swangchit Chaiyawat	Bank of Thailand
Raymond K.W. Chan	Hong Kong Monetary Authority
Der Jiun Chia	Monetary Authority Singapore

Partners

Henrike Feig	Asian Development Bank
Subarjo Joyosumarto	The SEACEN Centre

3. Summary of Current Business Plan

The current Business Plan for the ARC is composed of activities as follows:

- (1) To promote IADI Membership in the region,
- (2) To promote dialogue, through holding meetings and conferences in the region as well as to establish a regional network of liaisons, and to share knowledge and build the community of interests of deposit insurers and other institutions in the financial safety net,
- (3) To conduct relevant studies concerning deposit insurance issues from the regional perspective,
- (4) To enhance regional cooperation through intellectual support in the area of deposit insurance to IADI Participants and/or other parties,
- (5) To promote collaboration with international financial institutions and other parties to facilitate activities of the ARC,
- (6) To provide a vehicle for communication among the ARC Participants as well as other parties in the region and the Executive Council including its Standing/Regional Committees on matters of interest and concern to the deposit insurers in the region,
- (7) To undertake other actions consistent with the purpose of the ARC.

4. Meetings & Events

Meetings

The ARC has held two official meetings; the ARC participants officially met for the first time in Seoul, Korea when KDIC hosted IADI 2nd Annual General Meeting and Conference in October 2003.

The 2nd ARC meeting was held in Kyoto, Japan as a simultaneous event with an International Seminar on Deposit Insurance hosted by DIC Japan, in March 2004.

In September 2005, the **ARC** is having a meeting in Taipei, Taiwan for the third time during the IADI 4th Annual General Meeting and Conference hosted by **CDIC Taiwan**.

Events

Besides this significant event in coming September, the ARC participants are planning international events in this year as follows:



Hajime Shinohara, Chair of the ARC and Deputy Governor of the DICJ

The DICJ Open House is just around the corner!

This event, to be held from 14 to 17 March, 2005 in Tokyo, is expecting more than 40 participants from all over the world, including many representatives from IADI participants.

DIC Japan, at the final preparation stage for completing a return to a limited coverage, intends to share with the participants its various experiences and diversified and expanded operations to cope with the financial crisis in the last decade. For the details, please see its program on the next page.

	Sunday, March 13	Monday, March 14	Tuesday, March 15	Wednesday, March 16	Thursday, March 17
Place		Tokyo Prince Hotel (Takasago Room)	Tokyo Prince Hotel (Takasago Room)	<Study Tour> 9:00 Lv. Hotel 9:30 Ar. D.C.J	Tokyo Prince Hotel (Suehiro Room)
10:00		9:30 Welcome & Orientation	10:00 Bank Resolution under Banket Guarantee Mr. Tanaka, President, BB	10:00 Funding Operation Mr. Tamaki, General Director, TD	9:30 Collection of Non-performing Loans Mr. Shimoda, Deputy General Director, PCD
11:00		10:30 Evolution of Financial System in Japan and Role of D.C.J. Mr. Tamaki, General Director, TD Mr. Suzuki, General Director, PCD		11:30 Lunch	11:30 Break 11:45 Pursuit of Legal Abilities Mr. Kishi, Specialist for Investigation, SID
12:00		12:00 Lunch	12:00 Lunch	12:30 Lv. D.C.J	12:45 Lunch & Wrap-up
13:00		13:00 D.C.J. Operation under Normal Condition Mr. Tamaki, General Director, TD Mr. Suzuki, Senior Inspector, ID	13:00 Bank Resolution under Limited Coverage Mr. Nishigaki, Director, PCD Mr. Oba, General Director, FRD	13:00 Financial Services Agency	
14:00		14:30 Break	14:30 Break	15:00 Bank of Japan	<Free>
15:00	<Participants Arrive>	14:45 Evolution of Response to Systemic Crisis Mr. Nishigaki, Director, PCD Mr. Kobori, Deputy General, FRD	14:45 Financial Assistance to Resolve Failed Banks Mr. Nishihata, Deputy General Director, DID		
16:00		17:15 Session Ends	16:45 Session Ends		
17:00		18:30 Welcome Dinner (Buffet Style) Hosted by Mr. Shinohara, Deputy Governor at Tokyo Prince Hotel (Suehiro Room)	<Evening Free>	18:00 Sunset Cruise & Dinner	18:00 Closing Ceremony 18:30 Farewell Dinner (Buffet Style) Hosted by Mr. Nagata, Governor at Tokyo Prince Hotel (Takasago Room)

PCD: Planning and Coordination Dept., TD: Treasury Dept., ID: Inspection Dept., FRD: Financial Reconstruction Dept., BB: The Second Bridge Bank of Japan, DID: Deposit Insurance Dept., SID: Special Investigation Dept.

Also **Kazakhstan Deposit Insurance Fund** will host a Conference in Almaty from **17 - 20 May 2005**. The title of the Conference is **"Early Warning Systems as a Key Issue to Bank Solvency and Financial Stability"**. This event has drawn a great deal of attention from many deposit insurers globally. **KDIC**, **CDIC Taiwan** and **DIC Japan** will participate in this upcoming event in the region, invited by **KDIF**.



Almaty

5. Research Subcommittee

The Research Subcommittee of ARC, chaired by CDIC Taiwan, has been conducting research projects **"Transitioning from Blanket Guarantee to Limited Coverage System"** and **"Sources of Liquidity for Deposit Insurance Fund"**. These projects will be completed to produce reports, which will be presented at the ARC Meeting in September 2005.

PUBLICATIONS:

The **Proceedings of the IADI Third Annual Conference "Building the Toolkit for Deposit Insurers"** are now available!



These [proceedings](#) were prepared by an international team of writers organized by the International Affairs Division of **Central Deposit Insurance Corporation**. The writers included: Claude Rollin, **Federal Deposit Insurance Corporation**; Shinichi Sakai, **Deposit Insurance of Japan**; Sung Han Jie, **Korea Deposit Insurance Corporation**; Yvonne Fan and Fiona Yeh, **Central Deposit Insurance Corporation**; Renata Cechova, **Deposit Insurance Fund** (Czech Republic); Wai-Keen Lai, **Bank Negara Malaysia**; David Walker, **Canada Deposit Insurance Corporation**, Ade Afolabi, **Nigeria Deposit Insurance Corporation**, and Ray Labrosse, **IADI**.

You may find the following article of interest:

Bank for International Settlements:

[Recent initiatives by Basel-based committees and the Financial Stability Forum - BIS Quarterly Review, part 9, March 2005](#) (04.03.2005 17:53) - PDF, 65668 bytes *Part 9 of "International banking and financial market developments" (BIS Quarterly Review), March 2005, by David S Bieri*

This newsletter was issued on 11 March 2005. Want to share your expertise? To submit articles or items for consideration for a future issue please send them to info@iadi.org by 30 March 2005

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