

**IADI**

International Association of Deposit Insurers

What's New at IADI?

Volume 4, Issue 1

2 August 2005

Highlights:

Discussion paper by the Inter-relationships Subcommittee

Fourth Annual Conference – Program Information

Africa Regional Committee Profile and Meeting in Kariba, Zimbabwe

Middle East and North Africa Regional Committee formed

HKDPB and Malaysia Deposit Insurance Corporation transition to become Members

Draft Discussion Paper - comments requested

In September 2001, the **Financial Stability Forum Working Group on Deposit Insurance** introduced for the first time, *inter alia*, guidance on measures to promote effective interrelationships among safety net participants. Although the guidance points represented a significant breakthrough in the provision of information on this subject, it was recognized that further work was required to provide for more detailed and comprehensive guidance. The objective of this paper is to make a contribution towards filling this gap. It was prepared by the **Sub-Committee on Inter-relationships among Safety Net Participants**. The paper and the guidance points included therein benefited to a large extent from a survey questionnaire distributed to Members and other financial safety net participants in June 2004. The paper also draws on relevant reports and other literature available on the subject. The key guidance points are summarized in the last section of the paper under the following three broad categories: (1) the composition, mandates and powers of financial safety nets; (2) co-ordination among safety net participants; and (3) the importance of information sharing. Comments are welcome and should be sent to **Winston Carr** at: wincarr@cwjamaica.com.

Link to the Paper:

[Draft Discussion Paper on Interrelationships among Safety Net Participants](#)



**Preparations are in full swing for
the Fourth Annual Conference and AGM
27-29 September in Taipei
Have you signed up?**

You can still register *via* the [Special Fourth Annual Conference Website](#). There you will find online registration forms, the social events program and hotel booking forms.

In order to address the important issues facing deposit insurers, **CDIC (Taiwan)**, the host of the Fourth Annual Conference, has invited **leading international scholars, experts and practitioners** to explore and share with each other experience and insights on the latest developments in deposit insurance and banking industries that pertain most directly to financial safety net players around the world. Panel discussions during the Conference will cover recent advancements and issues of interest in deposit insurance with a **primary focus on the challenges for deposit insurers in resolving bank failures**.

CDIC (Taiwan) shall also be celebrating its **20th Anniversary** during the Conference week, and extends a warm welcome to conference participants in this event. In view of the fact that this is the first **International Week of Deposit Insurance**, the [Grand Hotel in Taipei](#) will also be the venue of a three-day "**Exhibition on Deposit Insurance**".

CDIC is taking every endeavour to make the conference successful. We recommend that you visit our [Fourth Annual Conference website](#) and look forward to your participation in this event in September!



IADI 4th Annual Conference

"Challenges for Deposit Insurers in Resolving Bank Failures"

Taipei, Taiwan

Wednesday, 28 September & Thursday, 29 September 2005

Conference Program

Chair: Chin-Tsair Tsay
Chairman of the Board
Central Deposit Insurance Corporation

Location: Grand Hotel, Taipei

Tuesday, 27 September 2005

7:00 pm **Dinner Address** Chuan Lin
Minister of Finance (Taiwan)
Welcoming Reception Dinner

Wednesday, 28 September 2005

8:30 am **Opening Session**
Call to Order
John Raymond LaBrosse
Secretary General, IADI
Welcome Remarks
Chin-Tsair Tsay
Chair of the 2005 IADI Conference

8:45 am **Opening Remarks**
Jean Pierre Sabourin
Chair of the Executive Council and President, IADI

Keynote Address
Distinguished Guest (Taiwan)

9:15 am **Session I: Initiatives by Financial Safety Net Players to Help Make Banks "Too Good to Fail"**

Moderator: Shinichi Yoshikuni, Senior Advisor, Monetary and Economic Department, Bank for International Settlements

Presentation 1: George Kaufman, Professor, University of Loyola (USA): The Role of Deposit Insurance in Dealing with Bank Failures

Presentation 2: David G. Mayes, Advisor to the Board of the Bank of Finland, and Professor, South Bank University, London: The Role of Safety Nets in Resolving Large Bank Failure

Presentation 3: Johnson Chen, President, Central Deposit Insurance Corporation (Taiwan)

Discussant: George Hanc, Consultant, Banking Research and Consulting, Washington D.C.

10:30 am Coffee Break

11:00 am **Session II: Developing an Effective Deposit Insurance System**

Moderator: Herbert Poenisch, Senior Economist, Monetary and Economic Department, Bank for International Settlements

Presentation 1: Fred Carns, Deputy Director, Federal Deposit Insurance Corporation: Template in the Evaluation of Deposit Insurance Systems

Presentation 2: Dong Il Kim, Executive Director, Korea Deposit Insurance Corporation

Presentation 3: Wai Keen Lai, Senior Manager, Bank Negara Malaysia

12:15 pm **Lunch Address**

Lunch

1:45 pm	<p>Session III: Cross-Border Challenges in Handling Bank Insolvencies</p> <p>Moderator: Joseph Pasquariello, Partner, Goodmans LLP, Toronto Presentation 1: Neil McDonald, Partner, Lovells International Law Firm (Hong Kong) Presentation 2: Tetsuo Yamashita, KPMG (Japan)</p>
2:45 pm	Coffee Break
3:15 pm	<p>Session IV: Guidance for Aiding the Resolution of a Failed Bank</p> <p>Moderator: Ronald N. Robertson, Chairman of the Board, Canada Deposit Insurance Corporation Presentation: William Su, Director, Risk Management Department, Central Deposit Insurance Corporation (Taiwan) Discussants: Mohammed Al-Jafari, Managing Director, Deposit Insurance Corporation (Jordan) Do Khac Hai, Chairman, Deposit Insurance of Vietnam</p>
4:30 pm	Session ends
7:00 pm	Dinner
Thursday, 29 September 2005	
8:30 am	<p>Session V: Concurrent Sessions</p> <p>* Promoting International Co-Operation Moderator: Chi Schive, President, Taiwan Academy of Banking and Finance Presentation 1: Allan Popoff, Portfolio Manager and Senior Banker, European Bank for Reconstruction and Development, London, U.K. Presentation 2: Mario Alberto Beauregard Alvarez, Executive Secretary, Instituto para la Proteccion al Ahorro Bancario (Mexico) Presentation 3: Peter Sinclair, Professor, University of Birmingham (UK) Presentation 4: Gulen Atay, Principal Counsel, Asian Development Bank</p> <p>* Contingency Planning for Dealing with a Failed Bank Moderator: Jean Pierre Sabourin, Chair of the Executive Council and President, IADI Presentation 1: Michael W. Mackey, Partner, Reorganization Services Group, Deloitte & Touche, New York Presentation 2: John Raymond LaBrosse, Secretary General, IADI Presentation 3: David Walker, Director, Policy and International, Canada Deposit Insurance Corporation</p>
9:45 am	Coffee Break
10:15 am	<p>Session VI: Guidance for Promoting Effective Interrelationships</p> <p>Presentation: Winston Carr, President and CEO, Jamaica Deposit Insurance Corporation Discussants: Hajime Shinohara, Deputy Governor, Deposit Insurance Corporation of Japan Louis Chen, Professor, Department of Financial-Economic Law, National Taipei University (Taiwan) Roumyana Markova, Chief Expert, Bulgarian Deposit Insurance Fund</p>
11:30 am	<p>(Update on IADI Activities) John Raymond LaBrosse Secretary General, IADI</p>
12:00 pm	<p>Closing Remarks Jean Pierre Sabourin Chair of the Executive Council and President, IADI</p>
12:25 pm	Conference ends
12:30 pm	Lunch
2:00 pm	City Tour
7:00 pm	<p>Dinner Address Farewell Dinner</p>

Africa Regional Committee Profile

Mandate of the ARC

The **Africa Regional Committee (ARC)** like the other regional committees, seeks to promote the objects of **IADI**. It focuses on regional interests through information sharing and networking.

ARC Members

Chairman

Ganiyu A. Ogunleye, MD/CEO

[Nigeria Deposit Insurance Corporation](#)



Kakai Cheloti, Director

[Deposit Protection Fund Board \(Kenya\)](#)

<http://www.centralbank.go.ke/dpf/dpfindex.html>



Simon C. Matafu, Director

[Deposit Insurance Board \(Tanzania\)](#)

<http://www.bot-tz.org/>



John Chikura, CEO

[Deposit Protection Board \(Zimbabwe\)](#)

<http://www.dpb.co.zw>



Radikaa Sookoo

[National Treasury \(South Africa\)](#)

<http://www.treasury.gov.za/>



**NATIONAL
TREASURY**

Activities

The **Africa Regional Committee** held its **1st Regional Meeting and Conference “Deposit Insurance in Africa: Issues, Challenges and Prospects”** on 21-23 June 2004 in Abuja, Nigeria. The events were hosted by the **Nigerian Deposit Insurance Corporation**.

It also held a **Seminar on Risk Management** at the **Kenya School of Monetary Studies** in November 2004, which was designed to enhance the skills and knowledge of DIS staff in the region. The seminar covered: economic uncertainties/financial sector weaknesses that impact on the performance of financial institutions, technological innovations, globalization and competition.

The 2nd **Africa Regional Committee (ARC)** meeting is taking place in **Kariba, Zimbabwe** on 1-2 August 2005. In keeping with its mandate and the objects of **IADI**, the meeting will examine strategies to enhance DIS awareness in Africa, discuss the success of the membership drive and explore ways to enhance capacity building amongst other issues. The meeting will also review developments in the region. The Chair will also take the opportunity to brief members on the activities of the Association since the 1st Regional Meeting.

Representatives of Deposit Insurers from Nigeria, Kenya, Tanzania, Zimbabwe, South Africa and the pending DIS of Commission Bancaire d’Afrique Centrale (COBAC) have confirmed participation at the meeting.

The **ARC** will continue to pursue membership promotion and experience-sharing through regular contact among its members.

What’s New in Your World?

IADI Middle East and North Africa Regional Committee created

The Executive Council is pleased to announce the formation of a Regional Committee for the Middle East and North Africa. The members of the **Middle East and North Africa Committee** are: **Abderrahim Bouazza**, Head of Banking Supervision Department, **Bank Al-Maghrib, (Morocco)**; **Kater Abi Habib**, President-Directeur General, **Institut National De Garantie Des Depots, (Lebanon)**; **Abdelkader Belgherbi**, General Director, **Societe de Garantie des Depots Bancaires,**

(Algeria); Mohammed Al-Jafari, Managing Director, **Jordan Deposit Insurance Corporation**.

The Chair of the **Middle East and North Africa Committee** is **Mohammed Al-Jafari**, reachable at mjafari@dic.gov.ko

Two Associates transition to become Members

The Executive Council adopted a policy that allows Associates to transition to become Members of IADI, once a deposit insurance system has been put into place. The **Hong Kong Monetary Authority** informed the Secretariat that the **Hong Kong Deposit Protection Board** would become operational on 1 July 2005. As well, **Bank Negara Malaysia** has advised that the Bill to establish the **Malaysia Deposit Insurance Corporation** has been passed by the Malaysian Parliament and the Corporation will be established on 1 September 2005. With the addition of **HKDPB** and **MDIC** the Association will have 41 Members.

SEDESA

The new Chairwoman of **SEDESA** is **Irene Ulnik**, succeeding **José Carlos Jaime**. **Irene Ulnik** can be reached at: iulnik@sedesa.com.ar .

Tel: +54 11 5031 9848 Fax: +54 11 5031 98 49.

Deposit Insurance Corporation, Central Bank of the Bahamas

Ralph W. Forskin has succeeded Philip Bethel as Senior Assistant Manager. His contact details are: E-mail: rwforskin@centralbankbahamas.com

Telephone Nos: +242-302-2600 and +242-322-2193 Fax No: +242-356-3897

Fondo de Seguro de Depósitos (Peru)

The new Executive Secretary of the **Fondo de Seguro de Depósitos (Peru)** is **Carlos Carrion**, who can be reached via fsd@sbs.gob.pe

Fondo de Garantia de Depositos y Proteccion Bancaria (Venezuela)

Humberto R. Ortega Díaz has been appointed as President of the **Fondo de Garantia de Depositos y Proteccion Bancaria (Venezuela)** since July 2005. **Humberto R Ortega Diaz** succeeds **Jesus Enrique Caldera Infante**.

Also at **FOGADE, Tomás Eduardo Sánchez Mejías** was appointed as the General Manager of Operations in charge.

Contact details: E-mail gerencia.estudio@fogade.gov.ve

Tel: +(58212) 546 0324, Fax +(58212) 546 0306.

Bangko Sentral ng Pilipinas

Alberto Reyes of **Bangko Sentral ng Pilipinas** has retired and he has been succeeded by **Nestor A. Espenilla** as Deputy Governor, SES.

Contact details: bspmail@bsp.gov.ph

BDIF visits the FDIC

Representatives of the **Bulgarian Deposit Insurance Fund (BDIF)** led by the Management Board Chairman, **Bisser Manolov**, paid a two-day visit to the **Federal Deposit Insurance Corporation (FDIC)** in July under a USAID-sponsored training program: **Risk-Based Deposit Insurance**. Mr. Manolov met with **FDIC Vice Chairman, John M. Reich**. The **BDIF** representatives learned from **FDIC** practice in the field of risk-based deposit insurance pricing, banking off- and onsite supervision and failure resolutions. The delegation held meetings also with the **International Monetary Fund**, the Office of Thrift Supervision as well as with representatives of the private banking sector.

The Deposit Insurance Board of Tanzania (DIB) visited the Deposit Insurance Corporation of Japan (DICJ)

At the request of **Deposit Insurance Board of Tanzania (DIB)**, which is now considering a reinforcement and expansion of operations, the **Deposit Insurance Corporation of Japan (DICJ)** organized a “**Short-term Training on Deposit Insurance for DIB**” on July 6 and 7, 2005 in Tokyo.

Simon C. Matafu, DIB Director and **Abraham M. Rasmini**, DIB Deputy Director attended the training program and learnt about DICJ’s diversified operations, such as resolution of bank failure, funding and pursuit of legal liabilities.

At the end of the training seminar, **Hajime Shinohara**, Deputy Governor of the DICJ and **Simon Matafu** agreed to further promote mutual understanding and cooperation between their organisations.

CDIC (Taiwan) and NDIF (Hungary) Sign an MOU

In order to strengthen the friendship and mutual understanding, the **Central Deposit Insurance Corporation (Taiwan)** and the **National Deposit Insurance Fund of Hungary (NDIF)** signed a **Memorandum of Understanding (MOU)** in Budapest on 24 June 2005. **Chin-Tsair Tsay**, Chairman of **CDIC**, and **Dániel Jánossy**, Managing Director of **NDIF**, signed the document and exchanged souvenirs at the ceremony. This event evidenced a closer relationship between the two founding members of the **IADI** and foreseeable future cooperation in information sharing and personnel exchange.



Moreover, Mr. James T. N. Lee, Representative of the Taipei Representative Office in Budapest, and Mr. Rezső Nyers, Secretary General of the Hungarian Banking Association and Member of the Board of Directors of **NDIF**, also participated in the signing ceremony. In our globalized world not only formal bilateral collaborative mechanism between the two **IADI** member institutions has been established, but also a communication platform between the banking systems of Taiwan and Hungary. (Press release: <http://www.oba.hu/index.php?m=news&aid=323>)



CDIC (Taiwan) visit with the **NDIF**

Publications:

You may find the following articles of interest:

International Monetary Fund:

Working Paper No. 05/124: Regional Financial Conglomerates: A Case for Improved Supervision <http://www.imf.org/external/pubs/cat/longres.cfm?sk=17864.0>

Working Paper No. 05/128: Too Much of a Good Thing? Credit Booms in Transition Economies: The Cases of Bulgaria, Romania, and Ukraine
<http://www.imf.org/external/pubs/cat/longres.cfm?sk=18296.0>

Working Paper No.05/141: Competition in Indian Banking
<http://www.imf.org/external/pubs/cat/longres.cfm?sk=18364.0>

Bank for International Settlements

Conference "Past and Future of Central Bank Cooperation" (BIS, 28 - 29 June 2005)
<<http://www.bis.org/events/conf050628.htm>> (27.06.2005 16:10)
celebrating 75 years of the Bank for International Settlements, 1930 - 2005

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*This newsletter was issued on 2 August 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 20 August 2005.*