



International Deposit Insurance Survey

June 30, 2003

Question Version: 1

Answer Version: 4

Deposit Insurer: Fonds de garantie des dépôts, FGD, (France)

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Contact: Cornut

Deposit Insurance Systems

2. Are there other deposit insurance systems operating in your country? (I.e. applying to other types of non-bank or non-depository institutions - eg. insurance, securities) Please state their name(s) and contact information.

Yes

The FGD manage two other mechanisms(Securities, Warranties). There is also the "Fonds de garantie des assurés",it's for life insurance

Please provide information on other participants in your financial system safety net.

Central Bank:

Name of Central Bank:
Banque de France

Address:
39 rue Croix des petits champs.
75001Paris(1)
France

Financial Supervisor

Name of Primary Financial Supervisor or Regulator:
Commission bancaire

Address:
73,rue de Richelieu 75001
PARIS(1) France

Section 2: Objectives, Mandates & Powers

1. When and why was the DIS established (please provide details)?

The FGD has been established by Saving and Financial Security 'Act,in june 1999. It was a natural improvement after the quite completely privatization of the banking sector

a. What are the stated public policy objectives or mandate for your country's DIS? When was the last time they were reviewed and changed?

The principal mission of FGD is to compensate depositors of a failing bank.FGD can also engage preventive intervention(risk minimization) These objectives are not changed since 1999

b. What process was used to determine these objectives in your country?

These objectives were determined after very long studies (in thre banking sector,at the Parlement and with the government)

2. What is the legal basis (ie formal agreement or governing legislation) under which the DIS was established? Please provide a copy.

Legislation

Saving and Financial Security ACT. The text is on the FGD'Website

3. Is there a formal process for a periodic review of the policy objectives/mandates of your DIS?

No

4. What sort of system do you have?

Privately established and administered

5. Who makes decisions to pay depositor claims?

Supervisor

6. Which of the following powers has been provided to the DIS in order to carry out its mandate? Examples of powers include:

a. Authority to:

i. **Enter into contracts**

ii. **Set regulations or by-laws for conduct of its business**

No

But the advice of FGD on the projects of regulation is compulsory

b. Authority over entry and exit of member banks:

i. Establish terms and conditions of membership

No

But the "President du Directoire" is a member of Cecei

ii. Authority to terminate the insured status of a member institution

No

c. Depositor reimbursement:

i. Effect reimbursement of depositors claims

Yes

ii. Access to depositor information

Yes

iii. Use various methods of reimbursing depositors claims

No

d. Funding

i. Determine how is funding provided for the DIS

No

several regulations define the funding of the FGD

ii. Terms and conditions of premiums or levies

No

iii. Borrowing authorities and limits

Yes

e. Information Requirements

i. Access to information directly from member banks

No

ii. **Access to information through supervisory authorities**

Other

Only when Commission Bancaire(supervisory Authority) ask or propose one intervention

f. **Enforcement and intervention**

i. **Authority to conduct examinations and/or reviews**

No

ii. **Authority to set standards or guidelines for member institutions**

No

iii. **Authority to take enforcement actions against members (i.e. such as the authority to require a change in institutional control and/or behaviour).**

No

iv. **Authority to take cancel deposit insurance of a member institution**

No

v. **Authority to hold officers and directors of failed institutions accountable for the failure of the institution**

Yes

g. **Failure resolution**

i. **Authority to decide on appropriate form of failure resolution**

No

But in fact ,Fgd 'll play an important role

ii. **Authority to provide financial assistance (e.g. in the form of a loan (with or without security), by purchasing assets from the institution or through some other process).**

Yes

iii. **Authority to guarantee deposits with member institutions or guarantee loans**

made to an institution by other parties.

Yes

iv. Authority to:

purchase and assumption (sale and merger), open assistance (bridge bank)

à compléter

h. Optimizing recoveries

i. Ability to act as a receiver

ii. Ability to act as a liquidator

Section 3: Governance Arrangements

1. Is the DIS a legally separate organization from other public or private bodies?

Yes

2. What is the form of governance used by the DIS organization?

Other

There is a managing board(Directoire) and a Supervisory board(Conseil de surveillance)

3. How is the governing body selected?

The supervisory board 'members are elected by the member of the FGD(banks and financial institutions). The managing board' member are appointed by the supervisory board.the appointment of the "Pésident du Directoire " is agreed by the Minister of Finances

4. What is the composition (e.g. number of persons and positions) of the governing body?

There are 14 members for the Supervisory board and 3 member for the Managing board

5. What are the duties and responsibilities of the governing body?

6. Is there any direct or indirect representation in the management of the DIS by member insured institutions, the Central Bank, the Regulator, the Supervisor or other parties?

No

7. Please provide a breakdown of the management structure of the DIS.

8. Do you have an internal control and audit systems

Yes

9. Are directors and officers of the DIS and/or supervisors personally liable for their decisions in the normal course of their activities?

10. Is there an advisory committee to the DIS?

11. Has the DIS ever taken legal action against directors of failed member institutions? Or others? What position did the person(s) hold?

12. Please indicate which of the following tools are used as part of your accountability regime.

Section 4: Human Resources & Infrastructure

1. What is the total number of employees at the DIS?

2. Are the majority of DIS employees dedicated staff or do they come from other organizations(i.e. government, central bank, private sector, other)?

3. Does the DIS train and develop its own staff? If so, briefly describe programs which have been put in place for training and development?

4. Is there shared training and development between the staff of the DIS and other authorities involved in financial sector supervision or regulation? (i.e. central bank, supervisor, regulator, other)

5. Are compensation and incentives offered sufficient to attract and retain skilled staff? Please elaborate.

1 2 3 4 5

6. Are confidentiality provisions for employees provided for?

7. Do employees of the DIS receive legal protection against lawsuits for their actions taken in good faith and acting in the best interests of the DIS?

8. What percentage of the budget is spent on training and development and information technology?

Section 5: Information Sharing & Interrelationships Among Safety-Net Players

1. Who performs examinations of DIS member institutions?

2. Please describe the examination process that is used to evaluate member institution performance.

3. What information is collected from member institutions for the DIS and other parties?

4. What arrangements (i.e. formal or informal) are in place between organizations responsible for deposit insurance and other parties comprising the safety-net (e.g. central bank, supervisor, regulator) regarding the sharing of information concerning member institutions? Please provide details of these agreements.

5. On a scale from one to five, with one being low and five being high, please rate the accessibility (i.e. access to all necessary information for the DIS to fulfill its mandate) and timeliness (i.e. information is received when needed) of information that is shared amongst members of the safety net.

Accessibility: 1 2 3 4 5

Timeliness of information: 1 2 3 4 5

6. Is there a consistent definition/classification across authorities of problem institutions?

7. When policy regarding the DIS and financial sector is developed or amended, which other bodies are consulted/advised?

8. Are details shared regarding such matters? And is discussion encouraged prior to implementation? Please provide details.

9. How often do you contact other DIS?

10. When the regulator, supervisor or central bank enters into an agreement with a financial institution that is experiencing problems is the DIS consulted?

Section 6: Membership

1. What types of institutions are covered in your DIS?

2. Is membership in the DIS mandatory for designated deposit taking institutions?

3. Do you have terms and conditions of membership? (i.e. laws, regulations or agreements which member institutions have to abide by) If so, please explain the application process used and conditions of membership imposed on institutions by the DIS.

4. Is the membership of foreign institutions (i.e. foreign bank branches and/or subsidiaries) covered in the same way as domestic institutions? If not, please describe the difference.

5. If more than one safety-net organization is responsible for the application process for membership, how is the application process coordinated between the organizations responsible?

6. Are deposit-taking institutions required to re-apply for membership after a certain period of time?

7. How many member institutions do you have?

8. What is the total level of assets, deposits and insurable deposits of all DIS member institutions?