



International Association  
of Deposit Insurers

***Strategic Plan for the Development  
and Promotion of IADI Research,  
Guidance and Core Principles:***

***June 2011***

**Process**

**Document #RGCGG2011-4  
Prepared by David Walker:  
June 6 , 2011**

**Consultation Version**

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## **PART 1. Introduction and purpose**

The International Association of Deposit Insurers (IADI) has worked to create a strong foundation for issuing guidance to improve the effectiveness of deposit insurance systems.<sup>1</sup> The process involves developing research plans, undertaking research, developing guidance and validating the guidance by engaging in consultations through conferences and reviews by authoritative parties.

In February 2008, IADI published its first set of Core Principles for Effective Deposit Insurance Systems. The Core Principles were designed to enhance the effectiveness of deposit insurance systems and were based on IADI research and guidance papers. In July 2008, the Basel Committee on Banking Supervision (BCBS) and IADI decided to collaborate to develop an internationally agreed set of Core Principles using these IADI Core Principles as a basis. The joint IADI/BCBS Core Principles for Effective Deposit Insurance Systems were published in March 2009.

In addition to the recent publication of Core Principles, the Association is committed to developing more guidance related to the business and operations of deposit insurance systems. To facilitate the development of research and guidance, the Research and Guidance Committee (RGC) is divided into three groups: a "Research Group" -- to conduct research; an Islamic Deposit Insurance Group – to study Islamic deposit insurance issues; and, the "Guidance Group" -- to examine the research findings, ensure quality control and identify suitable core principles and supporting guidance. The Guidance Group is responsible for promoting the guidance through a variety of means such as presentations at conferences, working with International Financial Institutions (IFIs) and the publications of work in various forms including learned journals.<sup>2</sup>

The following document sets out the strategic plan for the Guidance Group to accomplish these objectives. The plan includes:

- Definitions of key guidance terms.
- A methodology for:
  - reviewing IADI research papers and identifying, developing and issuing guidance;
  - ensuring IADI research plans, discussion papers and guidance meet high standards of quality and consistency; and

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<sup>1</sup> The process for issuing guidance was approved by IADI's membership in 2002.

<sup>2</sup> See Annex I for the terms of reference and membership of the Guidance Group and Research Group.

- undertaking consultation with International Financial Institutions (IFIs), academia and other interested parties for the development and promotion of IADI research and guidance.

## PART 2. Definitions of key terms

IADI's objects state that the Association will: "...set out guidance to enhance the effectiveness of deposit insurance systems [and] such guidance shall take into account different circumstances, settings and structures."<sup>3</sup>

- For the purposes of this paper, we have defined guidance to be: *Information, advice, counsel or instructions which are widely accepted as being sound and prudent.* Guidance can be further separated into the following two forms:
- **Core Principles** which are defined to be: *fundamental statements applied to a broad policy area.* Although principles focus on what is fundamental, they can also be applied broadly and provide a high degree of flexibility in implementation to suit individual country circumstances. An example of a core principle is:

*In order for a deposit insurance system to be effective it is essential that the public be informed on an ongoing basis about the benefits and limitations of the deposit insurance system.*<sup>4</sup>

- **Supporting Guidance Points:** which help to clarify the principle(s) and can add additional information to help practitioners apply the core principles. An example is:

*When designing a public awareness program, deposit insurers should clearly define the principal target audience groups and subgroups (eg the general public, depositors, member banks etc).*<sup>5</sup>

When developing guidance it is important to ensure that it assists countries in developing and enhancing their deposit insurance systems and, as much as possible, that this guidance should be adaptable to the overall culture, history, political, economic, legal and institutional environment. Once developed, the guidance should be regularly reviewed and updated in order to remain relevant in the face of new developments and changing circumstances.

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<sup>3</sup> See the Statutes of the International Association of Deposit Insurers, Article 2 (b), Basel, October 2004.

<sup>4</sup> See IADI/BCBS Core Principles for Effective Deposit Insurance Systems (2009).

<sup>5</sup> Ibid

In addition to the term Core Principles, the IADI/BCBS Core Principles Assessment Methodology includes references to essential and additional criteria. In the context of the Methodology these terms are defined as:

- **Essential criteria:** The essential criteria are the specific elements of a Core Principle which to gauge full compliance with a Core Principle. The essential criteria are drawn from the Core Principles document and related background papers prepared by IADI and BCBS.

*The deposit insurer receives or conducts a regular evaluation of the effectiveness of its public awareness programme or activities.<sup>6</sup>*

- **Additional criteria:** The additional criteria are aspirational in nature and comprise suggested good practices. Although not to be used for assessing compliance with a Core Principle, a country, or deposit insurer in the case of a self-assessment, could choose to be assessed against the additional criteria in order to identify areas in which improvements to the deposit insurance system could be made.

*The public awareness program is tailored to the needs of clearly defined target audience and utilises a variety of communication tools. The desired level of visibility and awareness among the target audiences is a primary factor in determining the budget for the public awareness programme.<sup>7</sup>*

### **PART 3. Methodology for reviewing research and developing guidance**

In order to develop IADI guidance, the Guidance Group will rely on the Research Group and the Islamic Deposit Insurance Group (IDG) to identify research topics, develop plans and papers, and where applicable provide suggestions for guidance. With this foundation in place, the Guidance Group will proceed to review the papers (utilizing a peer review process) for quality assurance and identify any core principles and supporting guidance from the work.<sup>8</sup>

The Guidance Group will perform this task with the assistance of an outside panel of advisors drawn from academia and various IFIs.

The Guidance Group quality assurance process will focus on three areas:

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<sup>6</sup> See IADI/BCBS Core Principles for Effective Deposit Insurance Systems: Methodology for Compliance Assessment (2011).

<sup>7</sup> Ibid.

<sup>8</sup> Peer review is a process of subjecting an author's work or ideas to the scrutiny of others who are experts in the field. See Annex IV for more details on peer reviews.

- editing for readability and the proper use of written language (in most cases this will be English but documents may be released in other languages);
- consistency of format and presentation (e.g. physical presentation, use of charts, figures, references); and
- ensuring high professional standards (e.g. factual accuracy, soundness of arguments, value to practitioners).

Identifying guidance is not an easy task. The Guidance Group will need to take into account a wide range of factors in its deliberations. The assessment criteria would include:

- determining if there are fundamental core principles contained in the research which can enhance the effectiveness of deposit insurance systems and be applied to a wide range of systems and circumstances;
- identifying supporting guidance points, and possible new assessment criteria or additional criteria, which could provide additional information or help clarify the principles;<sup>9</sup>
- ensuring that any guidance developed does not contradict previous IADI guidance (or guidance endorsed by IADI); and
- that all guidance developed is concise, understandable and practical.

Based on the judgement of the Guidance Group a recommendation made to the Chair of the Research Group (or the IDIG) and RGC will be made based on four options on how to proceed with research:

- (1) Release of an "IADI Research Paper" examining a research topic but not providing any suggested guidance. Subject to any necessary revisions, this paper would be published on the IADI Web site and/or considered as a submission for publication in a journal. If the latter option is chosen, then the subcommittee Chair should select the authors (e.g. maximum of three). This would include research papers examining topics related to a particular IADI region and would be referred to as an "IADI Regional Research Paper";
- (2) Release of the research as an "IADI Discussion (Consultation) Paper" examining a research topic and proposing guidance for discussion. If this route is chosen the paper would be issued on the basis of a recommendation of the Chairman of the RGC on the advice of the Guidance Group. Following a suitable consultation period (e.g. six weeks), the RGC would make a

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<sup>9</sup> Guidance may be proposed in a number of ways. For example, it could be tailored to deposit insurance systems in different stages of development or the specific mandates provided to the deposit insurance system.

recommendation to the Executive Council on whether to accept the discussion paper's guidance.

- (3) IADI Official Guidance. If the IADI Discussion Paper in (2) receives favourable feedback from the consultation process and approval by the Executive Council, the paper would be released as an IADI Discussion Paper with an accompanying document (using an executive summary format) containing the official guidance. This document would link and benchmark the guidance with relevant work being undertaken by other IFIs. The document would be prepared by the Guidance Group, issued by the Chair and Executive Council and be accompanied by a press release.
- (4) IADI/BCBS Core Principles for Effective Deposit Insurance Systems. On a regular basis (to be determined) the IADI/BCBS Core Principles document would be reviewed and any recommended changes would be brought forward to IADI and the BCBS for review and approval.

## **Editing**

In order to ensure a consistent look, terminology and writing style it is proposed that all papers be edited by a professional editor before their release. A process will be developed to evaluate and select editors.

## **IADI endorsement of guidance from third parties:**

In the case of research and guidance developed by IFIs or other interested parties, the Guidance Group will evaluate this work using the same criteria applied to IADI research to determine if any of the guidance should be endorsed by IADI.

## **Updating guidance:**

It should be recognized that guidance development is evolutionary in nature and can benefit from a regular review process. To facilitate this process, the Guidance Group will work with the RGC to ensure that there is a continuing dialogue with practitioners, policymakers and others to share practical experiences in using the guidance. And, that there is a process to regularly review, update and modify guidance at least every five years (or when deemed necessary).

## **PART 4. Process for consultation and promotion of IADI guidance**

### **Consultation process with other organizations:**

All research and guidance documents published by the RGC will be subject to public consultation in one form or another. Subcommittee Chairs should include a "Consultation Plan" in their Research Plans outlining the nature and form of

consultation they are expecting to follow. The Guidance Group should ensure that consultation is facilitated through:

- membership on subcommittees (e.g. subcommittee Chairs should invite outside experts from academia or IFIs to participate in the research projects);
- issuance of research plans on the IADI website for public consultation;
- distribution of early drafts of research and discussion papers by subcommittee Chairs to IFIs and academia;
- use of an Advisory Panel to assist the Guidance Group in reviewing papers;
- publication on the IADI website of final drafts of research plans, research, discussion and core principles and effective practices papers and their distribution by letter (under cover of the Chair of IADI) to IFIs; and
- highlighting IADI research and guidance work at conferences, seminars and workshops.

All papers endorsed by IADI should be accompanied by a News or Press Release -- prepared by the RGC in consultation with the Secretary General.

The Guidance Group will also need to work closely with the FDIC to promote IADI guidance at the Basel Committee.

### **Interaction with Basel Committee on Banking Supervision (BCBS), European Forum of Deposit Insurers (EFDI), the Financial Stability Board (FSB) and other IFIs:**

*IADI, in partnership with the BCBS, EFDI, IMF and World Bank has developed an Assessment Methodology for the IADI/BCBS Core Principles for Effective Deposit Insurance Systems. It is expected that there will be a regular review and updating process for the Core Principles and Assessment Methodology and that IADI would use this opportunity to propose any necessary changes to the Core Principles. In April 2011, the Core Principles were added to the FSB Compendium of Key Financial Standards.*

## **PART 5. Summary of methodology**

Given the methodology outlined, the following table illustrates how the full process of developing research and issuing papers will take place and be coordinated between the RGC, Research and Islamic Deposit Insurance groups and the Guidance Group.

<b>Responsibility</b>	<b>Deliverables</b>
1. Research and Guidance Committee (RGC)	<p><b>Selection and prioritization of research topics</b></p> <p>Identify research topics and prioritize them as part of the Research Plan of the RGC Committee.</p> <p><i>See Annex III for a listing of past, present and future IADI research topics.</i></p>
2. Research Group, (or IDIG), RGC	<p><b>Determination of Chairs of RGC Subcommittees</b></p> <p>Based on the Research Group's (or IDIG's) recommendations, the RGC Chair will assign topics to specific RGC Sub-Committees (or the IDIG Chair) to undertake the development of papers.</p>
3. Subcommittee Chair	<p><b>Research plan development</b></p> <p>The Subcommittee Chair will be responsible for the development of the individual research plans. In addition:</p> <ul style="list-style-type: none"> <li>• the research plan should include a consultation plan for all projects; and</li> <li>• the Subcommittee Chair should invite IFIs, academics and other relevant parties to participate in the Subcommittee's research.</li> </ul> <p>If necessary, the Subcommittee Chair may seek assistance from the Guidance Group with respect to the invitation of IFIs.</p> <p><i>See Annex II for the Research Plan template used by the RGC.</i></p>
4. Subcommittee Chair, Research Group (or IDIG), <b>Guidance Group</b> , RGC	<p><b>Release of research plans for public consultation</b></p> <p>The Subcommittee Chair will submit the draft research plan to the Research Group (or IDIG) for approval (and copied to the Guidance Group).</p>

	<p>Afterwards, the RGC will make it public (via IADI's web site, Newsletters and Research Letters) for consultation in cooperation with the Secretary General.</p>
<p>5. Subcommittee Chair, Research Group</p>	<p><b>Presentation of draft research papers to Research Group (or IDIG)</b></p> <p>Completion of draft papers and presentation to the Research Group. Comments to be incorporated in subsequent drafts. Upon approval by the Research Group (or IDIG), the draft papers will be sent to the Guidance Group.</p> <p>Note: Regional Committee Research Papers may be submitted to the RGC for comments.</p>
<p>6. <b>Guidance Group</b></p>	<p><b>Guidance Group to review research papers and make recommendations to RGC</b></p> <p>The Guidance Group will review the papers, conduct a quality assurance process (i.e. <u>external edit, level of edit to be determined</u>) and identify relevant guidance.</p> <p>Based on the judgment of the Guidance Group (and advice provided by the <u>Advisory Panel</u>) a number of options would then be considered and a recommendation made to the Chair of the RGC. The options will include preparation of a:</p> <ul style="list-style-type: none"> <li>• IADI Research Paper</li> <li>• IADI Regional Committee Research Paper</li> <li>• IADI Discussion (Consultation) Paper with suggested guidance</li> <li>• Official IADI Guidance</li> </ul> <p>IADI Regional Committee Research Papers will be reviewed by the Guidance Group but would not necessarily be submitted to the AP for final review. Regional Committee papers do not require Executive Council approval and may be posted on the IADI web site through a link with the Bibliography.</p>

<p>7. RGC and <b>Guidance Group</b></p>	<p><b>Approval by RGC</b></p> <p>The RGC will review the recommendations of the Guidance Group and decide on how to proceed. If approved, the papers will be sent to the Executive Council.</p>
<p>8. Executive Council</p>	<p><b>Presentation of papers to the Executive Council.</b></p> <p>Papers to be presented to Executive Council for review, comments and approval for final public consultation.</p>
<p>9. Executive Council, RGC, <b>Guidance Group</b>, Training and Conference Committee (TCC), Membership and Communications Committees (MCC), Conference Task Force (CTF).</p>	<p><b>Release of papers for final public consultation.</b></p> <p>Draft papers to be distributed to the public (via IADI's web site, Newsletters and Research Letters) for consultation.</p> <p>Chair of EXCO to send draft papers to heads of IFIs.</p> <p>The consultative process should be coordinated with the TCC, MCC and CTF.</p>
<p>10. Executive Council, RGC, <b>Guidance Group</b>, Research Group and IDIG</p> <p>TCC, MCC and CTF.</p> <p>Subcommittee on the Evaluation...</p>	<p><b>Final Approval and Release.</b></p> <p>After incorporating any changes arising from the consultative process all official IADI research and guidance papers would undertake a <u>final copy edit</u> and then be presented to the Executive Council for final approval and release on the web site.</p> <p>A press release would be prepared by the Guidance Group (for discussion papers, principles and effective practices document) or by the Research and IDI groups for the research papers.</p> <p>The Research Group (or IDIG) and Guidance Group will work with the TCC and MCC and CTF to develop a strategy for promoting the official research and guidance at conferences and training events.</p> <p>The Guidance Group would ensure that the guidance work is provided to the Subcommittee on the Evaluation of the Effectiveness of Deposit Insurance Systems.</p>

<p>11. Executive Council, RGC and <b>Guidance Group</b></p>	<p><b>Regular review process for issued guidance.</b></p> <p>It is proposed that at least once every five years (or when deemed necessary by EXCO) all previously issued IADI guidance should be reviewed and updated. Any changes should be proposed by the Guidance Group to the RGC for consideration and final approval from the Executive Council.</p>
<p>12. Executive Council, RGC and <b>Guidance Group</b></p>	<p><b>Regular review process for the IADI/BCBS Core Principles for Effective Deposit Insurance Systems.</b></p> <p>It is proposed that at least every five years (or when deemed necessary) the IADI/BCBS Core Principles for Effective Deposit Insurance Systems should be reviewed and if necessary proposals be made to amend/update the Core Principles to reflect new developments.</p>

## PART 6. References

- 1) Bank for International Settlements (BIS), Core Principles for Effective Banking Supervision, Basel, Switzerland, October 2006.
- 2) Bank for International Settlements (BIS), Enhancing Corporate Governance for Banking Organizations: Consultative Document, Basel, Switzerland, October 2005.
- 3) Financial Stability Board, Compendium on Standards and Codes, Basel, 2011. <http://www.financialstabilityboard.org/cos/index.htm>.
- 4) Financial Stability Forum Working Group on Deposit insurance, Guidance for Developing Effective Deposit Insurance Systems: Final Report of the Working Group on Deposit Insurance, Basel. September 2001.
- 5) Hoelscher, D.S., Taylor, M., and Klueh U.H. The Design and Implementation of Deposit Insurance Systems, International Monetary Fund, Occasional Paper 251, Washington, 2006.
- 6) International Association of Deposit Insurers, Draft Business Plan: 2007/10: Sharing Deposit Insurance Expertise with the World, Basel, May 2007.
- 7) International Association of Deposit Insurers, Core Principles for Effective Deposit Insurance Systems, Basel, February 2008.
- 8) International Association of Deposit Insurers and the Basel Committee on Bank Supervision, Core Principles for Effective Deposit Insurance Systems, Basel, March 2009.
- 9) International Association of Deposit Insurers and the Basel Committee on Bank Supervision Core Principles for Effective Deposit Insurance Systems: Methodology for Compliance Assessment, Basel, January 2011.
- 10) International Association of Deposit Insurers, Possible Role of IADI in Issuing International Principles on Deposit Insurance, prepared by D.K. Walker, Basel, April 2005.
- 11) International Association of Deposit Insurers, Procedures for Developing Papers for IADI, prepared by J.R. LaBrosse, Basel, February 2007.
- 12) International Association of Deposit Insurers, Statutes of the International Association of Deposit Insurers, Basel, October 2004.

## ANNEX I

### Terms of Reference and Membership: Research Group, Islamic Deposit Insurance and Guidance Group

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#### 1. Guidance Group Terms of Reference:

In its meeting of May 4, 2007, the following Terms of Reference (TOR) were approved for the Guidance Group:

*"[The Guidance Group shall be] responsible for developing guidance in the form of core principles and effective practices, including planning, developing and reviewing guidance; providing quality control (such as consistency of format on final drafts of research plans, discussion papers or guidance papers) before making public for consultation purposes at the IADI website; recommending guidance to EXCO to be selected as official guidance by IADI; and, coordinating with other IFIs for IADI guidance promotion."*

#### Organizational Structure:

The Guidance Group will report to the Chair of the Research and Guidance Committee (RGC). The Subcommittee on the Evaluation of the Effectiveness of Deposit Insurance Systems reports to the Guidance group.

#### Guidance Group Membership (as of June 2011):

Mr. David Walker (Chair)	Canada Deposit Insurance Corporation
Ms. Yvonne Fan	Central Deposit Insurance Corporation, Taiwan
Mr. Mutsuo Hatano	Deposit Insurance Corporation of Japan
Mr. Fred Carns	Federal Deposit Insurance Corporation
Mr. José Luis Ochoa	Instituto para la Proteccion al Ahorro Bancario
Mr. Mohammed AL-Jafari	Jordan Deposit Insurance Corporation
Mr. Sung Hwan Bae	Korea Deposit Insurance Corporation
Mr. J.P. Sabourin	Malaysia Deposit Insurance Corporation
Mr. András Fekete-Gyor	National Deposit Insurance Fund of Hungary
Mr. John Chikura	Zimbabwe Deposit Protection Fund

## **2. Research Group Terms of Reference:**

In its meeting of May 4, 2007, the following Terms of Reference (TOR) were approved for the Research Group:

*"[The Research Group shall be] responsible for conducting research, including planning, establishing the database related to deposit insurance, developing research papers, reviewing the papers developed by regional committees, and issuing and promoting research papers for those papers not being classified for guidance purposes after coordination with the Guidance Group."*

### **Organizational Structure:**

The Research Group will report to the Chair of the RGC. All current RGC subcommittees (with the exception of the Subcommittee on the Evaluation of the Effectiveness of DIS) including other research subcommittees to be formed in the future will report to the Research Group.

### **Membership** (as of June 2011):

Current RGC membership.

## **3. Islamic Deposit Insurance Group Terms of Reference:**

The following Terms of Reference (TOR) were approved for the IDIG:

*""[The Islamic Deposit Insurance Group shall be] responsible to study members' experience in establishing and implementing Islamic deposit insurance system by examining the workability of systems and lessons learned; to prepare positional or discussion papers on the Islamic deposit insurance taking into account different circumstances, settings and structures. These papers would be transformed into guidance for the implementation of effective Islamic deposit insurance system; to provide a forum for discussion on the needs of members on Islamic deposit insurance; and to facilitate the sharing and exchange of expertise and information on Islamic deposit insurance issues."*

### **Organizational Structure:**

The IDIG will report to the Chair of the RGC.

### **Membership** (as of June 2011):

Current RGC membership.

## ANNEX II

### Research and guidance committee process for developing research plans

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#### Research Plan Template

This document is intended for the use by the IADI Research and Guidance Committee and its various Subcommittees. For each topic that will be the subject of a research and guidance paper the responsible Subcommittee will prepare a research plan. The business plans will include the following items:

1. **Purpose and Issues to be addressed:** The overall focus of the topic and a breakdown of the key issues that will be addressed.
2. **Methodology:** A general description of the methodology to be employed such as a literature review, surveys, case studies, practitioner experience, consultation process and any relevant information taken from outreach activities. For instance:
  - Background and literature review: It is recommended that this be primarily conducted by the Subcommittee and make up a relatively small portion of the paper.
  - Practitioner experience: It is expected that the Subcommittee will rely heavily on practitioner experience available from its participants in addition to academic research and input from other interested parties.
  - Consultation process: This should include the Subcommittee agreeing upon a set of important consultation questions related to the issue. And, subcommittee Chairs (with assistance from the Guidance Group) should encourage the participation of expert individuals from IFI, academia and other parties to participate in the research.
  - Outreach activities: Opportunities should be taken at IADI and related conferences and seminar sessions to undertake consultation and outreach activities.
3. **Responsibilities:** The research plan should identify the responsibilities of the Chairs and Subcommittee members.
4. **Timelines and deliverables:** The plan should identify the timelines for development of the discussion paper and its final approval by IADI's Executive Council. However, these timelines will be ultimately determined by the deadlines set out in the Research Plan for each topic.

**5. Format:**

- (1) Word type: Verdana
- (2) Line Spacing: Single space
- (3) Font size of the context (except titles): 11
- (4) Font size of the titles: 12; bold

## ANNEX III

### Summary of Current Research and Guidance Materials

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In terms of research and guidance papers, IADI has assembled the Financial Stability Forum (FSF) Working Group on Deposit Insurance Final Report and Guidance Points (2001) and the sixteen discussion papers supporting the guidance. These papers cover the following topics:

- Public-Policy Objectives
- Moral Hazard
- Situational Analysis
- Transitioning
- Membership and coverage
- Funding
- Reimbursing Depositors
- Depositor Priority
- Structure and Organization
- Public Awareness
- Powers
- Failure Resolution
- Claims and Recoveries
- Cross-Border Issues

Since the completion of the FSF project IADI has completed numerous of additional research papers and projects which include:

- List of IADI members, associates, partners and observers and contact information (2002)
- Incorporation of the FDIC Bibliography on deposit insurance (2002)
- Selected Country Profiles (2003)
- Research Paper on the Establishment and Design of Deposit Insurance Systems (2003):
- International Deposit Insurance System Survey (2003) Database and Update (2008)
- List of deposit insurance systems currently in operation, soon to be implemented or planned (2004 and updated 2011)
- IADI Guidance Paper: General Guidance for Developing Differential Premium Systems (2005)
- Endorsement of the APEC Policy Dialogue on Deposit Insurance Key Conclusions (2005)
- IADI Guidance Paper: Guidance on the Resolution of Failed Banks (2006)
- IADI Guidance Paper: Interrelationships Among Safety-Net Participants (2006)
- IADI Core Principles for Effective Deposit Insurance Systems (2008)
- IADI Guidance Paper: Funding of Deposit Insurance Systems (2009)

- IADI Guidance Paper: Governance of Deposit Insurance Systems (2009)
- IADI Guidance Paper: Public Awareness of Deposit Insurance Systems (2009)
- IADI/BCBS Core Principles for Effective Deposit Insurance Systems (2009)
- IADI Guidance for the Establishment of a Legal Protection Scheme for Deposit Insurance Systems (2009)

*IADI/BCBS Core Principles for Effective Deposit Insurance Systems: Methodology for Compliance Assessment (2011).*

**IADI discussion paper projects underway and planned for 2011-12 include:**

- Claims and Recoveries
- Effective Mandates for Deposit Insurance Systems
- Deposit Insurance Coverage Limits
- Cross Border Issues
- Evaluation of Deposit Insurance Fund Sufficiency
- Public Policy Objectives
- Early Intervention and Prompt Corrective Action
- Applicable contracts for Islamic Deposit Insurance
- Payout Processes
- Differential Premium System (update)
- Membership
- Transitioning

## ANNEX IV

### Description of Peer Review Process

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Peer review (known as refereeing in some academic fields) is a process of subjecting an author's work or ideas to the scrutiny of others who are experts in the field to assure the quality of the work meets accepted standards of the organization.

In the case of proposed publications, an editor sends advance copies of an author's work or ideas to researchers or scholars who are experts in the field (known as "referees" or "reviewers"). These referees each return an evaluation of the work to the editor, including suggestions for improvement. The editor, usually themselves understanding the field of the manuscript (although not in as much depth as the referees who are specialists), then evaluates the referees' comments, their own opinion of the manuscript, and the context of the scope of the journal or level of the book and readership, before passing a decision back to the author(s), usually with the referees' comments.

Referees' evaluations usually include an explicit recommendation of what to do with the manuscript, often chosen from a menu provided by the journal or funding agency. Most recommendations are along the lines of the following:

- to unconditionally accept the manuscript or proposal,
- to accept it in the event that its authors improve it in certain ways,
- to reject it, but encourage revision and invite resubmission,
- to reject it outright.

During this process, the role of the referees is advisory, and the editor is under no formal obligation to accept the opinions of the referees.

## ANNEX V

### Recommended Writing Style

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1. All papers should adhere to the official Template (see Annex VII) for all research, discussion and official guidance papers.
2. Authors should avoid the use of language or slang which is not in keeping with the professional style of IADI.
3. Titles of organizations, etc. should be written out first in full and thereafter in initials.
4. Papers should be supported by footnote references. These should be set out in accordance with the modified "Chicago" style for footnotes and bibliography contained in the Template.
5. Figures and other line illustrations should be submitted in good quality originals and a copy of the data should also be included.
6. Authors must ensure that references to named people and/or organizations are accurate, not racist or sexist and without libelous implications.
7. All papers submitted for publication on the IADI Web site are subject to a referring procedure determined by the Guidance Group.
8. Copyright: The Executive Council has not yet developed a policy on Copyright. When the policy is developed it should be applied to all research and guidance documents (see Annex VI).
9. All reasonable efforts should be made to ensure accurate reproduction of text, photographs and illustrations. IADI should not accept responsibility for mistakes, be they editorial or typographical, nor for consequences resulting from them.

## Annex VI

### **Template to be Applied to IADI Research and Guidance Committee Materials**

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#### 1. Contents of the paper:

- a. Front page
- b. Table of content
- c. Executive Summary
- d. Introduction and purpose
- e. Main body
- f. Conclusions
- g. Bibliography
- h. Annexes

#### 2. Format:

- a. Word type: Verdana
- b. Line spacing: Single space
- c. Font size of the context (except titles): 11
- d. Font size of titles and subtitles (order by layers):
  - i. I: 15, bold
  - ii. A: 13, bold
  - iii. 1: 12, bold
  - iv. (1): 11
  - v. (a): 11
  - vi. (i): 11
- e. Footnote: bottom of each page: 9

ANNEX VII

**SUGGESTED REVIEW FORM**

(Example from Palgrave Publishing)

<b>Title of Paper</b>						
<b>Referee:</b>		<b>Date to referee:</b>		<b>Please Return by:</b>		
Please use the grid below to summarise your opinions of the paper. Papers should be evaluated in the context of their contribution to furthering the mission of the Journal.						
<b>Item</b>	<b>N/A</b>	<b>Very Poor</b>	<b>Poor</b>	<b>Adequate</b>	<b>Good</b>	<b>Very Good</b>
Title reflects content						
Readability						
Factual accuracy						
Technical Accuracy						
Originality						
Contribution to field						
Methodology						
Development of argument						
Depth of analysis						
Statistical analysis						
Conclusions and recommendations						
Managerial and/or policy implications						
Physical presentation						
Tables/Charts/Diagrams						
References						
Value to practitioners						
Value to researchers						
Value to policy makers						
Value to research students						
<b>Please use this space for your confidential comments for the Editor only:</b>						
This should include a description of the papers strengths and weaknesses, major areas to revise and possibly additional areas to conduct further work. It should provide details for those areas identified in the grid where further work is required. Authors are advised to take these comments into consideration when preparing the final version of their paper.						
<b>Annotated copy returned to Editor</b>				<b>Yes</b>		<b>No</b>
<b>Accept Without modification</b>		<b>Amend as recommended</b>		<b>Reject Without resubmission</b>		

## ANNEX VIII

### **Policy for Providing Editing Services to Advisory Panel Members of the International Association of Deposit Insurers**

Editing services provided for Advisory Panel (AP) members of the International Association of Deposit Insurers (IADI) shall be managed to support the objectives of the IADI and its Research and Guidance Committee (RGC). The editing services referred to in this policy stipulate that the IADI, through its RGC, will provide editing services at no cost to AP members, under specified conditions, by outsourcing to professional English language editors. Each fiscal year, the RGC will appropriate funds from its budget to cover such editing fees based on the estimated number of AP member papers to be edited.

This policy sets out the Objectives, Procedure, Responsibilities of Key Participants and Guidelines of IADI's Editing Services for AP members.

#### **A. Objectives**

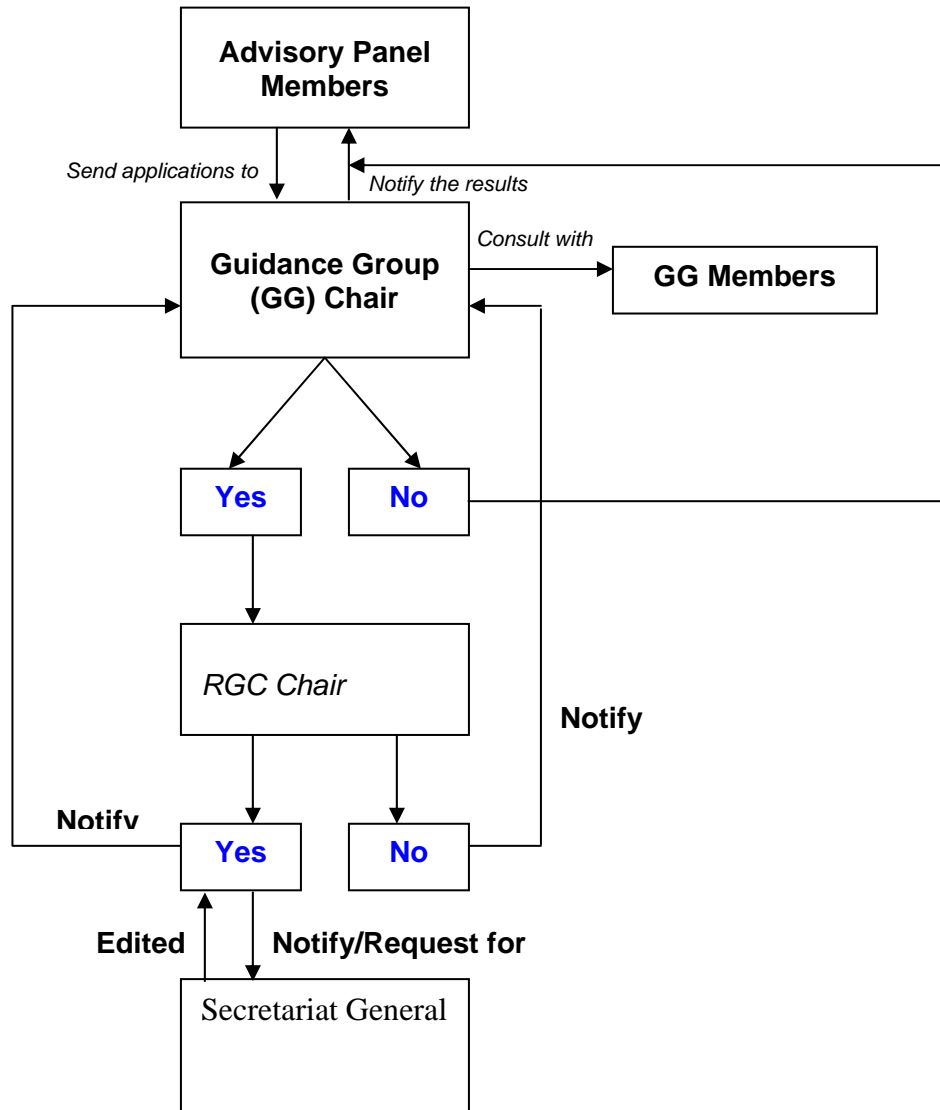
- (1) To encourage and assist AP members who require financial assistance in editing their research papers related to deposit insurance.
- (2) To show gratitude to the long-term contributions and assistance from the AP members providing pro bono services for reviewing IADI research and guidance papers.

#### **B. Procedures**

- (1) IADI Guidance Group (GG) Chair is the major contact person for editing services. Any potential AP member papers for editing should be sent to the GG Chair first. The GG Chair should consult with the GG Members to verify the suitability of the AP member's proposed paper(s) for editing assistance. If a paper is accepted by the GG, the GG Chair will recommend it to the RGC Chair.
- (2) The RGC Chair will review the GG's recommendation and examine the remaining budgets. If the RGC Chair accepts the recommendation, he/she will notify the IADI Secretariat General and request the editing services for the

proposed AP member paper. The RGC Chair will inform the GG Chair whether the proposed paper is accepted, so the GG Chair can inform the AP member applicant of the result.

**【Flowchart】**



**C. Responsibilities of Key Participants**

**(1) Guidance Group Chair shall:**

- ◆ Provide and collect comments from the GG members on proposed AP papers.
- ◆ Recommend proposed papers to be edited to the RGC Chair.

- ◆ Notify applicants whether the papers are accepted by IADI for editing.

**(2)RGC Chair** shall:

- ◆ Evaluate the recommendation from the GG.
- ◆ Notify the Secretariat General and request for editing services if the GG Chair's recommendation is accepted.
- ◆ Notify the GG Chair whether the recommendation is accepted.

**(3)Secretary General** shall:

- ◆ Arrange the editing services including searching for editors, coordinating with the editors and the RGC Chair, handling the matters on contracts and payment.

## **D. Guidelines**

- (1)The editing services are only provided to AP member research papers suitable for publishing. Any AP member concept paper, research plan or papers in process are not qualified for applying for IADI editing.
- (2)AP members' papers proposed for editing may come from two sources: 1) from their own research efforts; and 2) from IADI's invitation for research on specific topics related to deposit insurance. In principle, if the proposed papers are not invited by IADI, then an applicant may have only one paper edited per year. The editing services will be provided on a first-come-first-served basis.
- (3)The maximum number of papers for editing in each fiscal year will be limited by RGC's editing budget allocated for that fiscal year. If the editing budget is insufficient to provide AP editing services for the fiscal year, the application for editing can be deferred to the next fiscal year.
- (4)Any submitted AP paper for IADI editing should be written in English. IADI will only provide such editing services in English.
- (5)The submitted paper should be delivered to the GG in a Microsoft word file format.
- (6)The submitted paper edited by IADI will be automatically added to the IADI web-based Bibliography for sharing with other deposit insurers. But, it is not considered as an official IADI paper nor endorsed by IADI.