



IADI Newsletter Volume 8, Issue 2
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IADI and FSI launch first joint IADI FSI Connect Tutorial

IADI has the pleasure to announce that the first IADI - FSI Connect tutorial, "*Premiums and Fund Management*", authored by Josh Lattimore of CDIC, is now available at www.fsiconnect.org, to which all IADI Members have access.

Core Principles for Effective Deposit Insurance Systems

On 18 June 2009, IADI and the Basel Committee for Banking Supervision published Core Principles for Effective Deposit Insurance Systems after extensive collaboration with interested parties, including the G10 Task Force on Deposit Insurance, and the European Forum of Deposit Insurers. The Core Principles set a benchmark for jurisdictions to use in establishing or reforming deposit insurance systems.

IADI, the Basel Committee on Banking Supervision and other interested parties – including EFDI – are working with the IMF to develop a methodology to enable assessments of deposit insurance systems. Assessments can include self-assessment, or by third parties including consultants, and Financial Sector Assessment Programs (FSAP) conducted by the IMF or World Bank. The financial crisis has elevated several issues for coordinating actions among countries. Please see [link](#) to a recent Financial Stability Board note for G20 ministers and Governors meeting on 6 – 7 November 2009 [Exit from extraordinary financial sector support](#)

[measures](#) which includes a joint IADI – IMF memo on unwinding temporary deposit insurance arrangements.

Upcoming Conferences and Training

To achieve its objectives and its mission of sharing deposit insurance expertise with the world, IADI and its members host or sponsor numerous events each year. These events are widely attended by deposit insurance system participants and practitioners. IADI-sponsored meetings are typically open to all IADI Members. Others may participate by arrangement.

Here is a summary of upcoming meetings, conferences and training seminars for potential participants.

Please refer to the [website](#) for updates and current information.

■ Asia Regional Committee Meeting

The [8th Asia Regional Committee Meeting](#) and International Conference will be held in Goa, India from 18 – 20 January 2010. The event will be hosted by the Deposit Insurance and Credit Guarantee Corporation, Bank of India, and will feature expert presentations on funding deposit insurance organizations and global crisis implications.

■ European Regional Committee Outreach Seminar

The ERC Seminar “[Payout System Tool Kit for Meeting the Challenge of Fast Payout](#)” will provide a forum to share knowledge and experience to reduce the payout time to 20 days in EU countries. The seminar will be of interest to all deposit insurance systems seeking the capability for rapid depositor reimbursements in the event of bank failure. The event will be held hosted by the Deposit Insurance Fund, Czech Republic, in Prague on 28 – 29 January 2010.

■ Cross Border Conference and 29th EXCO Meeting

The Financial Stability Institute and IADI will co-sponsor a [Conference on Cross Border issues](#) in Basel, Switzerland on 9 – 10 February, 2010. The conference will include participants from deposit insurance organizations and central banks, with key presentations on recent cross-border insolvencies. Case studies will include Lehman Bros, Icesave, and UK liquidity events.

Tentative dates for the 29th Meeting of the Executive Council on 11 February 2010, in Basel or 16-17 March in Washington DC.

■ DICJ Round Table

The [Deposit Insurance Corporation of Japan](#) will hold its annual Round Table seminar in Tokyo, Japan on 3 and 4 March, 2010.

■ Conference on Bank Insolvency in the Caribbean Law & Best Practice

The Jamaica Deposit Insurance Corporation (JDIC) in association with the Caribbean Regional Technical Assistance will sponsor a [conference on Bank Insolvency in the](#)

[Caribbean: Law & Best Practice on 24 - 26 March 2010](#) in Montego Bay, Jamaica. Experts from several countries, including Japan, Malaysia, the United States of America, Canada, Switzerland and the United Kingdom will provide their perspectives on: Risk, Contagion and Financial Stability; the International Legal Framework (I Preconditions, Principal Legal Issues and Cross Border Concerns); Economic Intelligence and Research; Important Tools in Central Bank Oversight; Fostering Confidence in the Financial System; and the Case for a Lex Specialis for Bank Insolvency.

Please click [here for further details](#).

■ Seminar on Bank Failure Resolutions, Principles and Effective Practices

A seminar to share experience and best practices from recent and past bank failures will be held in Washington, DC on 24 – 25 March 2010. The seminar will address the types of resolutions, powers needed by the resolution regime, least-cost analysis, and the importance of information sharing and collaboration among the safety-net participants before, during and after a resolution of a problem bank.

■ Claims Management: Reimbursement to insured depositors

The Claims Management training seminar will be hosted by the FDIC in Washington DC (Arlington) from 5 to 8 July 2010. The seminar will provide practitioner experience on the pre-closing, closing, and post-closing phases of claims management. In addition, presenters will share information on the systems used by their organizations to automate the claims process.

■ Joint conference of International Association of Deposit Insurers and European Forum of Deposit Insurance

Rome Italy, 22 – 23 September 2010, details will be provided early 2010.

■ IADI 9th Annual Conference



Will be hosted by the Deposit Insurance Corporation of Japan in Tokyo on 27- 28 October 2010. Details to be posted to the website next year.

IADI 8th Annual Conference

The Financial Stability Institute, the International Association of Deposit Insurers (IADI) and the Basel Committee on Banking Supervision (BCBS) co-sponsored a Conference on the [Core Principles for Effective Deposit Insurance Systems](#) on 23–24 September 2009 at the Bank for International Settlements in Basel, Switzerland.

More than 200 participants from 80+ countries and jurisdictions participated in the Conference, including deposit insurers, financial institution supervisors, and central

bank representatives. Mr. Josef Tošovský, Chairman of the Financial Stability Institute and Mr. Martin Gruenberg, President of International Association of Deposit Insurers, provided a warm welcome and expressed gratitude to conference attendees at the opening address. Mr. Gruenberg expressed his honor of co-hosting this year's conference particularly on the occasion of the international roll out of the Core Principles for Effective Deposit Insurance Systems.

The Conference provided a forum to consider the roles of Core Principles in supervision and deposit insurance, necessary prerequisites for effective systems, individual principles and practitioners' experience, and the next steps – implementation challenges and assessment. Participants from various countries showed their enthusiasm for the Conference by asking many questions to presenters. The Conference was mutually beneficial for participants as well as presenters.

[2009 IADI Annual Conference Materials](#) are available on the website. Conference Proceedings shall be posted soon.

8th Annual General Meeting

The 8th Annual General Meeting took place in Basel Switzerland on 24 September 2009. President Martin Gruenberg presided and Secretary General Don Inscoe served as Secretary of the meeting. Numerous decisions and activities are presented at the AGM each year in accord with the Statutes of the International Association of Deposit Insurers, and are presented by resolutions supported by documents posted to the website prior to the meeting.

- **Deposit Insurance Organization of the Year**

Each year, IADI's members nominate and select the *Deposit Insurance Organization (DIO) of the Year*. The main criteria for the award are contributions to financial stability through fulfilling national mandate, and active participation in international cooperation in the field of deposit insurance through research, training assistance, developing guidance, and chairing or actively participating in IADI Standing Committee and Regional Committee events. This unique honor is conferred upon a member deposit insurance organization in celebration of an important achievement and/or in recognition of the contribution that the member has made to further IADI's objectives. 2008-2009 has been a very difficult period for most of IADI members. The financial crisis has challenged deposit insurance organizations in an unprecedented manner, and strained resources. Despite the challenges, many of our members made significant contributions to support financial stability and contributed to IADI's overall objectives.

For the 2009 DIO Award, IADI's members selected the **SAVINGS DEPOSIT INSURANCE FUND OF TURKEY (TMSF)**. During the financial crisis, TMSF supported its broad national mandate and contributed to international cooperation. Turkey's accomplishments during the year include:

- Hosted EFDI-IADI joint conference in October 2008 and Claims and Recovery Seminar in August 2009
- Actively participated in six IADI committees and subcommittees, and has undertaken research in several areas of deposit insurance, including: Islamic

deposit insurance, coverage limits, cross border issues, risk management, and evaluation of deposit insurance fund deficiencies

- Participated as presenter and moderator at international conferences and seminars
- Implemented risk-based advanced premium system in 2008
- Has a broad mandate of deposit insurance and significant practitioner experience as a result of the 2000-2001 crisis.

IADI President Martin Gruenberg presented the 2009 Deposit Insurance Organization of the Year Award to Mr. Ahmet Ertürk, Chairman of the Savings Deposit Insurance Fund of Turkey.



Prior recipients of the DIO Award are:

2008: Federal Deposit Insurance Corporation



2007: Fundo Garantidor de Creditos (Brazil)



2006: Canada Deposit Insurance Corporation



2005: Central Deposit Insurance Corporation (Chinese Taipei)



- **Elections to the 2009 Executive Council and Treasurer**

Elections are conducted at the Annual General Meeting each year. Candidates are designated to represent their organization. Council members of the Executive Council are typically elected to serve for three years via a confidential vote by the General Meeting. The Executive Council acts to ensure the sound functioning of the business affairs of the Association. Council Members establish and serve on IADI's Standing and Regional Committees to achieve IADI's objectives. Please refer to IADI's Statutes and By-laws for more information on responsibilities and activities of IADI's Executive Council and officers.

The following IADI Members were elected:



Bakhyt Mazhenova Chairman, Kazakhstan Deposit Insurance Fund, as Treasurer



Kakai Cheloti Director of the Deposit Protection Fund Board (Kenya) as a member of the Executive Council



Sung Hwan Bae Executive Vice President, Korea Deposit Insurance Corporation as a member of the Executive Council



Junior Frederick General Manager of the Deposit Insurance Corporation (Trinidad and Tobago) as a member of the Executive Council



Josef Tauber Chairman of the Board of Administration Deposit Insurance Fund (Czech Republic) as a member of the Executive Council



Hari Nandan Prasad, Chief Executive Officer, Deposit Insurance and Credit Guarantee Corporation (India) as a member of the Executive Council.

Antoinette McKain Chief Executive Officer, Jamaica Deposit Insurance Corporation, András Fekete-Györ, Deputy Managing Director National Deposit Insurance Fund of Hungary, Bakhyt Mazhenova, Chairman, Kazakhstan Deposit Insurance Fund, Bisser Manolov, Chairman of the Management Board, Bulgarian Deposit Insurance Fund, Ju-Hyung Lee, President, Korea Deposit Insurance Fund, concluded their terms on the Executive Council and were recognized for their contributions.

• **Other 2009 AGM Decisions**

In addition to the DIO award and elections, the following resolutions were approved. Minutes of the meeting will be circulated in accordance with statutory deadlines to document AGM motions. Here is a preliminary summary of the deliberations:

- Approval of the Minutes of prior AGM held on 31 October, and approved the agenda for AGM of 24 September
- Presentation of Audit results and review of financial statements
- Ratification of the prior approval of the 2008 – 2009 Annual Report, Audited Financial Statements and Auditors Report, release of Members of the Executive Council from all responsibility in respect of the past financial year
- Approval of the appointment of a new external Auditor for the current year
- Ratification, approval, and adoption of the Business Plan for 2009/2012 and revised budget for 2009/10 and budget for 2010/11

- Appreciation resolutions for former Executive Council Members, BIS, Financial Stability Institute, Basel Committee on Banking Supervision, and IADI Secretariat
- Open discussion of members.

The next AGM and IADI Annual Conference will be held in Tokyo during the week of 25 – 29 October 2010. Information will be posted to the website when available.

Recap of Recent Activities

The following conferences and seminars were conducted in October and November 2009. Please see www.iadi.org for more information on past and future activities.

■ International Seminar on Lessons and Implications in Managing the Global Financial Crisis

The Seminar hosted by Central Deposit Insurance Corporation (CDIC), Chinese Taipei, was held on 22 to 23 October, 2009. Representatives from the Asia Regional Committee (ARC), members of the International Association of Deposit Insurers (IADI), senior officials of financial safety net players and senior executives of member banks insured by CDIC attended and participated in the seminar.

■ Claims Management: Reimbursement to insured depositors



Claims Management: Reimbursement to Insured Depositor
Malaysia Deposit Insurance Corporation, Kuala Lumpur, Malaysia
2 - 4 November 2009



The Claims Management seminar was hosted by Malaysia Deposit Insurance Corporation in Kuala Lumpur, Malaysia from 2 to 4 November 2009. The seminar provided practitioner experience on the pre-closing, closing, and post-closing phases of claims management. In addition, presenters shared information on the systems used by their organizations to automate the claims process.

Please click [here for the details.](#)

■ Seminar on Islamic Deposit Insurance



Seminar on Islamic Deposit Insurance
Understanding the Fundamentals of Islamic Banking and Deposit Insurance
Kuala Lumpur, Malaysia - 5 & 6 November 2009



The Malaysia Deposit Insurance Corporation conducted a seminar on Islamic Deposit Insurance in Kuala Lumpur, Malaysia on 5 and 6 November 2009. The theme of the seminar ***Understanding the Fundamentals of Islamic Banking and Deposit Insurance*** provided specific information on several topics including: an overview of Islamic banking including the differences between

Islamic and conventional banking operations; an introduction to Islamic banking deposit and financing products; and factors that may or may not insulate Islamic banking from the recent crisis and a discussion on how to enhance Islamic banking resilience moving forward.

Please click [here for further information](#).

■ MENA Regional Conference *Enhancing Confidence*



The Jordan Deposit Insurance Corporation (JODIC), and the Financial Services Volunteer Corps (FSVC) co-sponsored the Middle East North Africa Regional Conference on Deposit Insurance in the MENA region. This conference was geared towards heads of deposit insurance and senior staff at central banks or supervisory agencies in the region, in Amman, Jordan on 18-20 November 2009. Sessions covered several areas including: implications of Global Financial Crisis on MENA Region; challenges for Transitioning from blanket coverage; cross border issues and coordination among safety-net participants, and the insurance of Sharia based deposits. Please see here [the agenda](#)

Member News

IADI Welcomes three new Members

IADI welcomes three new Members, the [Deposit and Financial Instrument Protection Fund \(Belgium\)](#) and the [Guernsey Banking Deposit Compensation Scheme](#). The [Corporación del Seguro de Depósitos COSEDE](#) has also joined IADI as the AGD Ecuador has ceased its operations.

New Designated Representatives to IADI

The following individuals have been designated by their organization as IADI designated representatives:

- Mr. Eugen Dijmărescu, Director, Deposit Guarantee Fund in the Banking System, Romania
- Mr. Babu Msami, Director, Deposit Insurance Board of Tanzania
- Ms. Rose Detho, Director, Deposit Protection Fund Board Kenya
- Ms. Ana Graciela Trejo Padilla, President, Instituto de Garantía de Depósitos, El Salvador
- Mr Herman Debremaeker, Secretary General Deposit and Financial Instrument Protection Fund (Belgium)
- Mr. Charles Tracy, Chairman of the Board, Guernsey Banking Deposit Compensation Scheme.
- Dr. Jose Ricardo Villagran, Member of the Board, COSEDE

Kakai Cheloti has retired from the Deposit Protection Fund Board Kenya, and is succeeded on the IADI Executive Council by Ms. Rose Detho.

The IADI Membership would like to sincerely thank Kakai for his outstanding service on the IADI Executive Council and Committees, and we wish him all the best in his future endeavours.

This newsletter was issued on 9 December 2009. To submit articles or items for consideration for a future issue, please send them to kim.white@iadi.org.

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