

International Deposit Insurance Survey

Section 1: Background Information

1.1 Organization (deposit insurer) responsible for administering the deposit insurance system:

1.1.1 Organization Name:

Fondo de Garantía de Depósitos (FGD) (Guarantee Deposit Fund).

1.1.2 Organization Address:

SARGENTO MARECOS Y PABLO VI (Central Bank of Paraguay)

1.1.3 Organization Telephone No:

(595) 21 6192061

1.1.4 Organization Fax No:

(595) 21 6192897

1.1.5 Organization Internet Address:

www.bcp.gov.py/fgd

1.2 Contact Person(s):

1.2.1 Contact Person(s) Name:

MARIA EPIFANIA RODRIGUEZ

1.2.2 Contact Person(s) Address:

SARGENTO MARECOS Y PABLO VI (Central Bank of Paraguay)

1.2.3 Contact Person(s) Telephone:

(595)(21) 6192061

1.2.4 Contact Person(s) Fax:

(595) 21 6192897

1.2.5 Contact Person(s) E-mail address:

mgonzar@bcp.gov.py

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

Not yet. But the Cooperatives have intention to create a DIS.

1.3 Please provide information on other participants in your financial system

safety-net:

1.3.1 Name of Central Bank:

Central Bank of Paraguay)

1.3.2 Central Bank Address:

SARGENTO MARECOS Y PABLO VI (Central Bank of Paraguay)

1.3.3 Central Bank Telephone:

(595) 21 6192328

1.3.4 Central Bank Fax:

(595) (21) 608136

1.3.5 Central Bank Internet Address:

www.bcp.gov.py

1.3.6 Central Bank Contact Person:

Benigno Lopez (Member of the Directory(Board) of the Central Bank of Paraguay)

1.4 Financial Supervisor:

1.4.1 Financial Supervisor Name:

Superintendence of banks

1.4.2 Financial Supervisor Address:

SARGENTO MARECOS Y PABLO VI (Central Bank of Paraguay)

1.4.3 Financial Supervisor Telephone:

(595) (21) 6192094

1.4.4 Financial Supervisor Fax:

(595) (21) 608149

1.4.5 Financial Supervisor Internet Address and contact:

www.bcp.gov.py/sib

1.5 Other related entities:

1.5.1 Other Related Entities Name:

Superintendence of assurances

1.5.2 Other Related Entities Address:

SARGENTO MARECOS Y PABLO VI (Central Bank of Paraguay)

1.5.3 Other Related Entities Telephone:

5956192637

1.5.4 Other Related Entities Fax:

595216192542

1.5.5 Other Related Entities Internet Address:

www.bcp.gov.py/se

Section 2: Objectives, Mandates & Powers

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

In Paraguay, the new laws regarding DIS were promulgated in 2003. Before the new legislation, the Government of Paraguay provided the financial resources to protect deposits, and now the private sector provides these funds. Another reason to change the legislation was to give the Central Bank of Paraguay (BCP) more powers to resolve problems affecting financial entities. The BCP is the administrator of DIS for the country of Paraguay, but this administration is separate from the other objectives of the Central Bank. The Department in charge of DIS is the Fondo de Garantía de Depósitos (Guarantee Deposit Fund).

2.1.2 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 objectives not only are aimed at providing protection for depositors, but also aim to protect banking services and also give more security to the financial system and the people that interact with the same. These details are specified in the new law Number 2334/03, dated December 2003, as may be found in our country's web site www.bcp.gov.py/fgd. Therefore the latest revision was carried out in 2003.

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

Due to the large number of bank failures in 1995- 2002, the BCP needed more power to quickly resolve the problems and prevent troubles from becoming systemic. The process first needed to convince the private sector financial entities to contribute funds and to gain support and approval from the Parliament. It was very important that both the private sector and the BCP work together to convince the Parliament of the need for new legislation and to achieve the enactment of appropriate laws. This process lasted for two years.

2.1.4 What is the legal basis under which the DIS was established? Please provide a copy.

Legislation

Paraguayan Law Number 2334/03 (Ley de Garantía de Depósitos y Resolución de Entidades Financieras)

2.1.5 Is there a formal process for a periodic review of the policy objectives/mandates?

No

2.1.6 What sort of system do you have?

Government legislated and administered

However, the funds are provided by the private sector

2.1.7 Who makes decisions to pay depositor claims?

Central Bank

But only on behalf of the Guarantees Deposits Fund

2.2 Which of the following powers has been provided to the DIS in order to carry out its mandate?

2.3 Authority to

2.3.1 Enter into contracts

Yes

2.3.2 Set regulations or by-laws for conduct of its business

Yes

2.4 Authority over entry and exit of member deposit taking institutions

2.4.1 Establish terms and conditions of membership

Yes

of membership for all the private Banks and Financial Companies

2.4.2 Authority to terminate the insured status of a member institution

Yes

but only when the banks are failing

2.5 Depositor reimbursement

2.5.1 Affect reimbursement of depositors claims

Yes

2.5.2 Access to depositor information

Yes

2.5.3 Use various methods of reimbursing depositors claims

Yes

The method is resolution of banks, the same one used by FDIC.

2.6 Funding

2.6.1 How funding is provided

Yes

Funding is provided for the private Banks and Financial Companies. These funds are gathered and available previously and independently from the downfall of banks.

2.6.2 Terms and conditions of premiums or levies

Yes

The financial institutions pay levies every trimester.

2.6.3 Borrowing authorities and limits

Yes

The DIS provide the funds up to the limit of payment of the guarantee per person. However, in the resolution of banks, the DIS could contribute with money to cover the difference between assets and deposits, and makes possible to transfer all the deposits to good banks.

2.7 Information Requirements

2.7.1 Access to information directly from member deposit taking institutions or its auditors

Yes

The Superintendence of Banks depends from the Central Bank as well as the DIS.

2.7.2 Access to information through supervisory authorities

Yes

same as above

2.8 Enforcement and intervention

2.8.1 Authority to conduct examinations and/or reviews

Yes

Superintendence of Banks depends from the Central Bank as well as the DIS.

2.8.2 Ability to set standards or guidelines for member institutions

Yes

Idem

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

Yes

idem

2.8.4 Authority to cancel deposit insurance of a member institution

Yes

but this action is required by cancelling all the Bank's license

2.8.5 Authority to hold officers and directors of failed institutions legally liable for the failure of the institution

Yes

As the Central Bank, considering its nature of a regulating financial institution.

2.9 Failure resolution

2.9.1 Authority to decide on appropriate form of failure resolution

Yes

2.9.2 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

But only to the good bank that receives the deposits from the problem banks.

2.9.3 Authority to guarantee deposits with member institutions or guarantee loans to an institution by other parties

No

2.10 Authority to:

2.10.1 Undertake formal liquidation

Yes

But only when the resolution is finished.

2.10.2 Purchase and assumption (sale and merger)

Yes

2.10.3 Open assistance (bridge bank)

Yes

But only to the good bank that receives the deposits from the problem banks.

2.10.4 Other forms of failure resolution

Insured deposits transfer, straight deposit payoff, securities of assets and transfer of the insured deposits or all the deposits

2.11 Optimizing recoveries

2.11.1 Ability to act as a receiver

Yes

2.11.2 Ability to act as a liquidator

No

Section 3: Governance Arrangements

3.1.1 Is the DIS a legally separate organization from other public or private bodies? (e.g. central bank, supervisor, industry association)

No

It depends from the Central Bank but it possesses its own rules apart from the Central Bank.

3.1.2 What is the form of governance used by the DIS organization?

Administrative

null|null|null|null|null|

3.1.3 How is the governing body selected?

It has a Director named by the Board of Directors of the Central Bank

3.1.4 What is the composition of the governing body?

It has a Director and two divisions.

3.1.5 What are the duties and responsibilities of the governing body?

To collect premiums, to support the Superintendence of Banks and to take part in the processes of resolution of banks.

3.1.6 Is there any direct or indirect representation in the management of the DIS by member insured institutions?

No

3.1.7 Is there any direct or indirect representation in the management of the DIS by the central bank?

Yes

It's the Central Bank itself that administers the DIS through a specific directory independent from the rest of the functions of the Central Bank

3.1.8 Is there any direct or indirect representation in the management of the DIS by the regulator?

Yes

The regulator of the system is the Central Bank.

3.1.9 Is there any direct or indirect representation in the management of the DIS by the supervisor?

No

3.1.10 Is there any direct or indirect representation in the management of the DIS by other?

No

3.1.11 Please provide a breakdown of the management structure of the DIS

There's a Director, a division responsible for investments and resolutions, and another division responsible for accountings and other administrative matters.

3.1.12 Do you have an internal control and audit systems

Yes

Provided by the Central Bank.

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

Yes

3.1.14 Is there an advisory committee to the DIS?

Yes

The Board of Directors of the Central Bank

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

Yes

By the Board of Directors of the Central Bank

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

Annual Reports,Audited Financial Statements,Corporate Business Plan,Other Reporting Requirements
null|null|null|Monthly bulletins for the banks.|

Section 4: Human Resources & Infrastructure

4.1.1 What is the total number of employees at the DIS (e.g. full-time, part-time and contract) ?

The total number of employees at the DIS are 5. Although, The Central Bank assists to the DIS when it is necessary.

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

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

4.1.4 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)

Yes

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

4.1.6 Are confidentiality provisions for employees provided for?

Yes

The same of Supervision banks employees.

4.1.7 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?

Yes

The same of Supervision banks employees.

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

ONLY 5 %.

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

5.1.1 Who performs examinations of DIS member institutions?

Supervisor

but, in aspects related to the system of deposit insurance makes it the DIS

5.1.2 Please describe the examination process that is used to evaluate member institution performance?

the Supervisor is responsible for on examinations, although the DIS have a model early warning only for have a own information.

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

Member institutions reported monthly to DIS: information on the amount of deposits- each of depositors-, loans and depositors. The DIS and then calculates the amount of guaranteed deposits and other information.

Also the member send the infomation for permit it calculater the prima.

5.1.4 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.

Is not necessary because Both (DIS and Supervisor) depend on the central bank

5.2 On a scale from 1 to 5, 1 being low and 5 being high, please rate both 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.

5.2.1 accessibility

5

5.2.2 timeliness

5

5.2.3 Is there a consistent definition/classification across authorities of problem institutions

Yes

Institutions in the process of regularization and institutions in the process of resolution

5.2.4 When policy regarding the DIS and financial sector is developed or amended, are other bodies consulted and/or advised (e.g. central bank, supervisor, regulator, government, industry associations) ? If you do consult and/or advise what bodies do you do it with?

Consult

With the Industry associations (Membership)|null|null|

5.2.5 Is discussion with other bodies encouraged prior to the implementation of new policy?

Yes

Inside the Central Bank with Supervisor

5.2.6 How often do you contact other DIS?

Regularly

Argentina, Colombia, and Peru

5.2.7 Is the DIS consulted when the regulator, supervisor or central bank enters into an agreement with a financial institution that is experiencing problems?

Yes

But is necessary to consulted, however the supervisor give information about that

Section 6: Membership

6.1.1 What types of institutions are covered in your DIS?

All the private Banks and financial Company.

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

Yes

The Law (n° 2334) forces the Financial institutions who take a deposit of the public to being members of the FGD

6.1.3 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 any conditions of membership imposed on institutions by the DIS.

Yes (please explain)

The laws forces a Financial institutions to provided the financial resources to protect deposits,

6.1.4 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.

Yes

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

No,only The BCP is responsible for the application process for membership. but this administration is separate from the other objectives of the central Bank. of DIS for the country of Paraguay. The special department in charge of DIS is the Guarantee Deposit Fund (Fondo de Garantía de Depósitos)

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

No

6.1.7 How many member institutions do you have?

26 member institucion.

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

Total level Assets: USD 6.671.809.648 Total Deposit: USD 5.060.308.989 TOTAL Insurable deposits: USD 1.182.546.806. before the calculation of the insurable deposits, It is necessary to compensate deposits with debt by of each one savers. The Total leve insurable deposits is netted of compensation,

Section 7: Coverage

7.1.1 Is there a formal definition of a deposit and or insured deposit used by your DIS? If so what is it?

Yes (please explain)

Te definition of The insured deposit is as any imposition of money with obligation of restitution for the membership. The insured deposits up to 75 minimum wages approximately 25.000 American dollars

7.1.2 What types of deposits are eligible for coverage in your DIS?

Savings account,Chequing account,Annuity contracts,Certificates of deposit,Guaranteed investment

certificate, Foreign currency deposits, Inter-bank deposits, Other
null|null|null|null|null|null|null|null|null|null|When a members make a commitment of of guarantee of an
operation of foreign trade |

7.1.3 Is coverage

per depositor per institution

7.1.4 What is the coverage limit per depositor?

the coverage limit per depositor up to 75 minimum wages, approximately 25.000 American dollars.

7.1.5 How was this figures arrived at?

The Central Bank realized a study of the stratification of deposits in Paraguay. In addition, to the moment of the decision The public was not trusting in the financial system and was needing of an amount raised to guarantee the deposits.

7.1.6 For eligible financial instruments with maturity dates, what is the longest contract term covered by the DIS?

Is not important the maturity dates, all the deposit is covered by the DIS. The role as insure in Paraguay is helps ensure the stability of the financial sytem by guaranteeing the timely funding of insured deposit. Has power To transfer the deposit and asset from an failed institution to another insured institution.

7.1.7 What types of depositors are not eligible for coverage in your DIS?

Officers and directors of member institutions, Other
null|null|null|null|does note include securities, mutual funds, or similar types of investments|

7.1.8 Is the coverage amount indexed?

Yes

7.1.9 What is it indexed to?

the coverage limit per depositor up to 75 minimum wages. The minimum wage is updated from time to time (annual, binannual, etc)

7.1.10 Does your DIS use coinsurance? If coinsurance is used please describe the approach used.

No

7.1.11 Is the public widely aware of the presence of coinsurance?

No

7.1.12 Are coverage levels affected by resolution methods? If so, please explain.

Yes

Yes, the coverage levels are affected by resolution methods. The best way of resolution methods is when To transfer the deposit and asset from an failed institution to another insured institution, in this case is possible it is possible to transfer deposit more the coverage level. It is depend on the value the asset to transfer and the Found of Deposit insure to put money of necessary for to transfer. However, the total money to put the DIS cannot be bigger than the cost of paying the coverage levels.

7.1.13 To what extent, is there a public expectation that the DIS coverage limit would be extended to 100% coverage in the event of a banking crisis or the failure of a very large institution? Please provide recent examples, if applicable.

No

does not exist expectative because the law is new

7.1.14 How is a decision made on the insurance eligibility of new financial products?

The definition of The insured deposit is as any imposition of money with obligation of restitution for the membership.

7.1.15 When member institutions merge how are insured deposits treated?

The insured to continue.

7.2 Does your country offer the following?

7.2.1 Islamic banking

No

7.2.2 Islamic deposit insurance

No

Section 8: Funding & Fund Management

8.1.1 What type of funding is used by the DIS?

Ex-ante (defined as the accumulation of a reserve or fund to cover deposit insurance claims in anticipation of the failure of a member institution).

8.1.2 Is the DIS funded by levying insurance premium assessments against member institutions or, by some other means such as general tax revenues?

Premium assessment

8.1.3 If insurance premiums are assessed, are they assessed as a flat rate or are they differential in some way, please explain? (e.g. risk based)

All The financial institutions pay levies every trimester. The rate is 0,12% of the average trimester deposits.

8.1.4 What is the current premium rate? If there have been changes to this rate, details would be appreciated.

The current premium rate it establishes in the law.

8.1.5 How often is the premium assessed?

it is possible to evaluate in the 2010

8.1.6 Is the premium assessed on total deposits, insured deposits or something else?

Total deposits

8.1.7 Are premiums paid by member institutions tax deductible as a business expense?

Yes

8.1.8 For premiums that are differentiated please explain the risk assessment system that is used to ascertain a premium assessment.

8.1.9 Does the DIS have a target with respect to the optimal size of the DIS fund?

(Yes is chosen go to question 8.10 otherwise Skip the next 2 questions)

Yes (Go to next question)

8.1.10 How is the optimum level (i.e. target) of the fund determined?

The optimum level is 10 % of the whole of the deposits.

8.1.11 What investment policies (i.e. safeguards against abuse) exist concerning the use of the fund?

The fund is invested by the same politics of investment of the internacional reservations.

8.1.12 If a fund is not maintained, is an assessment levied on institutions after the failure of a financial institution has occurred? If so, please explain how the levies are determined and losses distributed among institutions.

No

The found is maintained for the Institucion forever since the 10% of the whole of the deposits.

8.1.13 Which of the following sources of additional funding, for emergency or liquidity purposes, does the DIS have access to?

Government funding

null|null|null|

8.1.14 Are member institutions required by law to issue, on a regular basis, subordinated debt?

Yes

Section 9: Reimbursing Depositors

9.1.1 Please describe the procedure for reimbursing depositors used by your DIS?

The procedure is To transfer the deposit and asset from an failed institution to another insured institution. When this procedure is imposible, one proceeds is to payment of the guarantee.

9.1.2 Are depositors required to file a claim when a member institution fails? If so, what is the process?

No

9.1.3 When is the DIS obligated to reimburse insured depositors?

when is impossible to use the resolution methods.

9.1.4 Is there an established legal basis upon which to base the reimbursement process? Please explain.

Yes

The Paraguayan Law Number 2334/03 (Ley de Garantía de Depósitos y Resolucion de Entidades Financieras) establishes that it is necessary to to pay the guarantee when the Asset of the failed institution does not allow to use the Resolution method.

9.1.5 Is the DIS subject to explicit standards for prompt reimbursement? If so what are they?

Yes

The DIS must explain to the Congress and membership the reasons because don't use the Resolution method

9.1.6 What methods of payment can be used and under what circumstances are they used?

Purchase and assumptions Asset disposition methods and Insure deposit transfers payment of the guarantee

9.1.7 Are the rules regarding clearing, set-off, trust accounts, and related issues well defined (through the legal system or formal agreement)? Please explain.

Yes

The law forces to make a revision of all the legal aspects, related issues, etc.

9.1.8 What are financial institutions obligated to hold with respect to deposit records?

The financial institutions is obligated to have a record whit the information about the depositors

9.1.9 When is the DIS given access to an institutions financial and depositor records?

Now, because Monthly the DIS receives the information about the depositors.

9.1.10 Does the DIS have the option of making advance payments to depositors in situations of dire need (i.e. in an emergency)?

No

9.1.11 Does the DIS make interest payments to depositors during the time taken for reimbursement? Please explain.

No

The interests calculate until the day of the BCP have decided on Resolution methods uses

9.1.12 What information is communicated to depositors regarding the reimbursement process?

the new institution in which the deposits are transferred or the date for the payment of the guarantee.

9.1.13 What process does the DIS use to ensure that depositor secrecy and confidentiality is maintained during the reimbursement process?

All those who are possible. Nevertheless to the Intitution that acquires the deposits the totality of the information is delivered.

9.1.14 What steps are taken to verify, reconcile and settle insured deposit accounts?

Firts, to checks the depositors' records with the countable balances and later to checks the documents that the depositor possesses.

9.1.15 What steps are taken to ensure that an institutions depositor records are accurate, up to date and accessible?

The Superintendence of banks checks it permanently.

9.1.16 Does the DIS document its experiences with respect to each reimbursement action (i.e. lessons learned) in order to allow for continuous improvement?

No

not yet

9.1.17 What technologies does the DIS use to facilitate the reimbursement process?

The DIS have a special software to calculate every monts the guarantee in each institucion for person.

Section 10: Public Information & Awareness

10.1.1 What obligations are there to inform the public?

the amount of the fund, the name of institución membership, the coverage limit per deposit

10.1.2 Who is responsible for communicating information about the DIS to the general public?

DIS

The Dis to depend the Central Bank|null|null|null|null|

10.1.3 Are these explicitly stated in policy or law?

Yes

In the Law N° 2334/03

10.1.4 Are the terms and conditions of DIS explained in a manner that the general public can understand fully?

Yes

This year there has begun a process of diffusion of the DIS, first in the membership and then to the public in general

10.1.5 If so, what methods are utilized?

Use of Official Sign to display insured status,Other
null|null|null|null|Seminars of training|

10.1.6 At what point is information disclosed to the public about an institution that is having problems and how is information disclosed?

only about the receivership funcion.

10.1.7 Has a survey of public awareness about the DIS been conducted? If so/ what were the results? If not why not? Please include supporting documentation.

No

10.1.8 Has the DIS ever embarked on a public awareness campaign to increase awareness and knowledge? If yes, how many times has this been done and when was the last time?

Yes

Now

10.1.9 Please describe the approach used; objectives, target audience, communication strategy, and timing results.

All the seminary is realized in each membership.The seminary was directed at people to each deposit and CEO of the membership.

Section 11: Risk Assessment & Intervention

11.1.1 Does the DIS have a risk monitoring function to analyze and assess the risk of member financial institutions?

No

because the Superintendence of Banks depends from the Central Bank as well as the DIS.

11.1.2 Does the DIS perform examinations of its member institutions? If not, who does?

Other

The Superintendence of Banks. It depends from the Central Bank as well as the DIS.

11.1.3 Does the DIS receive information/data/statistics directly from its member institutions or from a third party, such as a regulator or supervisor? If so what information is received and how often?

Yes

information about the deposit.

11.1.4 What is the risk assessment approach used by the DIS to monitor financial institutions? Please describe. Please be sure to include the criteria used to determine member institution risk.

Please see 11.1.2

11.1.5 Please list and describe the actions taken by the DIS in situations where member institutions are causing concern. Please indicate when coordination occurs with other supervisory/regulatory authorities and the mechanisms used.

We do not have yet experience

Section 12: Failure Resolution

12.1.1 Is your DIS involved in the failure resolution of member institutions?

Yes

But, In the stage of transition of the law repealed to the in actually law. Of course, in this moment, the private sector financial entities don't contribute funds yet

12.1.2 Who determines whether a member institution has failed or is insolvent?

The Central Bank

12.1.3 Under what conditions can the DIS cancel/terminate the deposit insurance of a member institution?

It doesn't when the bank have a license for make a banks operation

12.1.4 How is the failure/non viability of a member institution determined?

First the MEMBER INSTITUTION is submitted to a process of regularization and if it cannot go out of the above mentioned process, the Centrl Banks declares the beginning of the process of resolution of the Member Institution.

12.1.5 How many member institutions have failed in your country in the last 20 years?

45 institución before the new law is coming, and 1 (one) In the stage of transition of the law repealed to the in actually law. In this moment, the private sector financial entities don't contribute funds yet.

12.1.6 Do banks go through the regular corporate bankruptcy process? If no, what is the process used?

12.1.7 Is the receiver of failed institutions also the one that disposes of the institutions? If not, who does?

No
is the central bank

12.2 Which methods of failure resolution are used in your country to deal with failures. Also, please indicate the frequency of use of the various methods in the last 20 years.

12.2.1 Formal liquidation

Other
The law is new.

12.2.2 Purchase and assumption (sale and merger)

Yes
But, In the stage of transition of the law repealed to the in actually law. Of course, in this moment, the private sector financial entities don't contribute funds yet

12.2.3 Open bank assistance (e.g. recapitalization)

12.2.4 Bridge banks and other interim solutions

12.2.5 What criteria are used to determine the method of failure resolution?

Asset Valuation: Estimate the value of assets Used to design how assets are sold within resolucion structure
Used as a tool to compare alternative bids.

12.2.6 Is the deposit insurer required to resolve failed or failing insured depository institutions in a manner that is least costly to the DIS?

Yes
In a manner that is least costly to the DIS

12.2.7 Please indicate what kind of private companies, if any, are included in the failure resolution process?

All the Private Institution that regulated by the Central Bank are included.

Section 13: Claims, Recoveries & Estate Management

13.1.1 Does the DIS play a role in the claims and recoveries process? If yes please describe this role

Yes
To attended the claims and to help the Superindence of banks in the process of resolution. In the recoveries process, all the necessary activity are realized for maximize return on assets

13.1.2 What is the primary objective of the DIS when dealing with claims and recoveries (i.e.. maximization of nominal and present value recoveries, financial system stability, system discipline)?

Firts the financial system stability and then If it is possible to maximization of nominal and present value recoveries,

13.1.3 What role does the private sector play in the claims, recovery process?

Neither in the claims. But in the recovery process the Dis has an obligation to explain about this process.

13.1.4 What approaches and strategies are adopted by the deposit insurer to accomplish the objectives of claims and recovery activities?

We do not have experiences yet.

13.1.5 By what standard is the DIS judged with respect to performing its function in claims and recoveries (e.g.x. Comparative private sector or DIS benchmarks, internal assessments, past experience)?

A financial crisis (from 1995 to 2003) has generated a lot of distrust, However the new law has not been proved yet.

13.1.6 What assets have you found to be the hardest to recover? Why? What types of strategies have been used to recover different assets?

We do not have experiences yet.

13.1.7 Does the DIS have rights of subrogation (i.e. the subrogation of insurance entity to the rights of insured depositors) or an equivalent arrangement?

Yes

13.1.8 Is there depositor priority when banks fail? (i.e. Do depositor claims rank in priority above other unsecured creditors in the liquidation of a bank?)

Yes

13.1.9 Are rights of set-off available or imposed in your countrys legal system? Please describe the various forms set-off can take.

Yes

The law forces to realize compensations between deposits and debts before to calculate the insure deposits

Section 14: Other Issues

14.1.1 What is your view on recent trends and emerging issues in the financial sector in your country and the potential impact they might have on the DIS?

The financial Paraguayan system is even small and with few international market share, but the fall of the commodities will be affect the borrower of the financial system.

14.1.2 Are there any issues related to deposit insurance which you would like to see more research in?

Yes, We think that it is necessary to give more importance to the DIS, specially in epoch of peace. Of course, more research would help enough.