

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 de la Instituciones Financieras (Nicaragua)

1.1.2 Organization Address:

De Shell Plaza El Sol 150 vrs al Este, Edificio FNI Primer Nivel

1.1.3 Organization Telephone No:

505-270-6254

1.1.4 Organization Fax No:

505-270-6258

1.1.5 Organization Internet Address:

www.fogade.gob.ni

1.2 Contact Person(s):

1.2.1 Contact Person(s) Name:

Vilma Rosa Leon-York

1.2.2 Contact Person(s) Address:

De Shell Plaza El Sol 150 vrs al Este, Edificio FNI Primer Nivel

1.2.3 Contact Person(s) Telephone:

505-270-6254

1.2.4 Contact Person(s) Fax:

505-270-6258

1.2.5 Contact Person(s) E-mail address:

vilmaleon@fogade.gob.ni

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:

NO

1.3 Please provide information on other participants in your financial system safety-net:

1.3.1 Name of Central Bank:

Central Bank of Nicaragua

1.3.2 Central Bank Address:

Banco Central de Nicaragua

1.3.3 Central Bank Telephone:

1.3.4 Central Bank Fax:

1.3.5 Central Bank Internet Address:

www.bcn.gob.ni

1.3.6 Central Bank Contact Person:

1.4 Financial Supervisor:

1.4.1 Financial Supervisor Name:

Superintendencia de Bancos y Otras Instituciones Financieras

1.4.2 Financial Supervisor Address:

Superintendencia de Bancos

1.4.3 Financial Supervisor Telephone:

1.4.4 Financial Supervisor Fax:

1.4.5 Financial Supervisor Internet Address and contact:

1.5 Other related entities:

1.5.1 Other Related Entities Name:

1.5.2 Other Related Entities Address:

1.5.3 Other Related Entities Telephone:

1.5.4 Other Related Entities Fax:

1.5.5 Other Related Entities Internet Address:

Section 2: Objectives, Mandates & Powers

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

The Fondo de Garantia de Depositos (FOGADE) was created by Law 371, in January of 2001. Its creation was motivated by the serious banking crisis occurred in the year 2000, which continued through 2001, caused by the closing of operations of four out of thirteen banks of the Nicaraguan Financial System. FOGADE was created to administer the resources of the Deposits Insurance System Fund with a pay box mandate. In late 2005, Law 371 was reformed by Law 551, furthering FOGADE's mandate to be responsible additionally for the intervention and liquidation processes of a bank's resolution.

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 object FOGADE is to regulate the Deposit Insurance System for Financial Institutions, in order to guarantee restitution of savings accounts, demand and time deposits of natural persons or legal entities, pursuant to the procedures set forth in the Law. FOGADE also regulates the intervention process and the liquidation of assets of failed financial institutions members of the Deposit Insurance System.

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

Consensus among stakeholders.

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

Legislation

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?

Other

2.1.7 Who makes decisions to pay depositor claims?

DIS

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

No

2.4.2 Authority to terminate the insured status of a member institution

No

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

2.6 Funding

2.6.1 How funding is provided

No

2.6.2 Terms and conditions of premiums or levies

No

2.6.3 Borrowing authorities and limits

Yes

2.7 Information Requirements

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

No

2.7.2 Access to information through supervisory authorities

Yes

2.8 Enforcement and intervention

2.8.1 Authority to conduct examinations and/or reviews

No

2.8.2 Ability to set standards or guidelines for member institutions

No

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).

No

2.8.4 Authority to cancel deposit insurance of a member institution

No

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

Yes

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

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

2.10.2 Purchase and assumption (sale and merger)

Yes

2.10.3 Open assistance (bridge bank)

No

2.10.4 Other forms of failure resolution

Once the restitution procedure begins, the President of FOGADE shall submit to the Board of Directors, within a term not to exceed five (5) days after the intervention procedure begins, the possible alternatives for resolution, taking into account the institution's estimated value of assets and liabilities. Such alternatives shall be aimed at avoiding, or minimizing, definite use of FOGADE resources.

2.11 Optimizing recoveries

2.11.1 Ability to act as a receiver

Yes

2.11.2 Ability to act as a liquidator

Yes

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)

Yes

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

Board of Directors

null|null|null|null|null

3.1.3 How is the governing body selected?

The form of selection is in the law.

3.1.4 What is the composition of the governing body?

1. A President, appointed by the President of the Republic, from a list of three names determined by the private banking sector. 2. The Minister of Finance and Public Credit who's alternate shall be the Deputy Minister. 3. A member appointed by the President of the Republic upon proposal of the Private Banks Association of Nicaragua. 4. A full member and an alternate member shall be appointed by the President of the Republic upon proposal of the Board of Directors of the Superintendence of Banks and Other Financial Institutions. 5. A full member and an alternate member shall be appointed by the President of the Republic upon proposal of the Central Bank of Nicaragua.

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

The Attributions of the Board of Directors are: 1. At the beginning of each calendar year, it shall set the percentage for computing the premium to be paid by each one of the member financial institutions of the Deposit Insurance System for the year. Such premium shall be computed on the basis of a fixed percentage of 0.25 percent. The Board of Directors shall add to this premium, a risk differential within the range of 0 to 0.10 percent, according to the level of risk of each institution, determined by the Superintendence of Banks pursuant to the regulations issued on that matter by the Board of Directors of the Superintendence. 2. Approve FOGADE's annual income and expense budget. 3. Choose the best possible resolution alternative to execute the restitution process and determine the manner in which FOGADE resources shall be utilized, pursuant to the provisions set forth in this Law. 4. Appoint and remove the Director of the Management and Asset Liquidation Unit, pursuant to the grounds set forth in this Law. 5. Establish the remuneration of the Director of the Management and Asset Liquidation Unit. 6. Approve the procedures to sell the assets of the member financial institutions of the Deposit Insurance System under forced liquidation status. 7. Issue general regulations for the administration and conservation of the assets pertaining to member financial institutions of the Deposit Insurance System under intervention and forced liquidation processes. 8. Supervise the functions of the President of FOGADE when acting as receiver. 9. Establish the rules for the special auction system contemplated in Article 44 of this Law. 10. Authorize the President of FOGADE to contract specialized professionals or organizations, Nicaraguan or foreign, to support in the execution of the intervention process, pursuant to the provisions set forth in Articles 30 and 40 of this Law. In any case, the legal representation of the intervened institution shall correspond to the President of FOGADE. 11. Appoint the Secretary to the Board of Directors and establish his/her remuneration. 12. Choose the external auditors' firm for purposes of Numeral 13 of the following Article. 13. Issue the Operational Bylaws of the Board. 14. Approve the amount and manner of indebtedness of FOGADE pursuant to the provisions set forth in Numeral 5 to Article 24 of this Law. 15. Authorize procurement of equipment for use by FOGADE. 16.

Exercise any other faculties attributed by this Law or other laws.

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

Yes

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

Yes

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

Yes

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

Yes

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

Yes

The Ministry of Finance

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

Board of Directors CEO and President of Board of Directors 2 Division Directors 5 Staff

3.1.12 Do you have an internal control and audit systems

Yes

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?

No

3.1.14 Is there an advisory committee to the DIS?

No

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?

No

No bank closure has been performed yet.

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
on our web page|on our web page|on our web page|null|

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) ?

9 Employees

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)?

Yes

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?

Yes

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)

No

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

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

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

3%

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

5.1.1 Who performs examinations of DIS member institutions?

Supervisor

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

Continuous off site examination. Once a year in site examination.

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

The DIS, by law, will request the Central Bank and/or the Supervisor, any information it considers pertinent to fulfill its mandate without restrictions.

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.

FOGADE has signed two separate MOUs with the Supervisor: 1. MOU to describe data and information the DIS should receive on a daily, weekly, monthly, and yearly basis. 2. MOU that describes the interchange of information and examination/review participation once our version of PCA is in place.

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

4

5.2.2 timeliness

3

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

Yes

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

We are requested an opinion on the legislation project.|null|null|

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

Yes

5.2.6 How often do you contact other DIS?

Regularly

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

Section 6: Membership

6.1.1 What types of institutions are covered in your DIS?

All financial institutions authorized to operate by the Superintendence of Banks and Other Financial Institutions that take financial resources from the public in the form of deposits within the national territory, including foreign bank branches, are members of the Deposit Insurance System.

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

Yes

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.

No

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

If they take deposits from the public

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?

N/A

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?

We have seven banks and two financing firms.

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

The banking system has US\$2.6 billion in total deposits.

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)

Article 30.- The balance of deposit accounts owned by natural persons or legal entities, both in national and foreign currency, in the member institutions of the Deposit Insurance System, shall be covered by deposit insurance up to the amount set forth as a maximum in Articles 32, 33 and 34 of this Law. These deposits shall be duly registered as a liability in the balance sheet of the institution at the time of issuing a resolution for intervention, and be described as one of the following modalities or a combination of them: Savings Deposits, Demand Deposits, and Time Deposits, regardless of the commercial name used by the institution.

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

null|null|null|null|null|null|null|null|null|null|null

7.1.3 Is coverage

per depositor

7.1.4 What is the coverage limit per depositor?

Article 32. - When the deposit insurance is made effective, totally or partially, with resources of the Deposit Insurance System, it shall be up to a maximum per depositor, regardless of the number of accounts that it keeps in the member institution, of the value in national or foreign currency, equal to or equivalent to the value of ten thousand dollars of the United States of America (US\$ 10,000.00), including the principle and interests earned up to the initial date of the restitution procedures.

7.1.5 How was this figures arrived at?

Targeting to guarantee deposit insurance to a minimum of 90% of accounts in the system.

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

N/A

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|Article 31. - Despite provisions set forth in the above Article, the following deposits are not covered by the deposit insurance referred to in this Law: |

7.1.8 Is the coverage amount indexed?

Yes

7.1.9 What is it indexed to?

The US dollar.

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.

No

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

No failures since onset of DIS

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

The law defines what is an insured deposit.

7.1.15 When member institutions merge how are insured deposits treated?

No participation of DIS in a merger.

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)

DIS member pay basic premium plus a risk differential rate.

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

DIS member institutions pay 0.025% of their total deposits, plus a 0.010% for risk differential.

8.1.5 How often is the premium assessed?

N/A

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?

No

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

Based on the risk rating by an international rating agency. The Supervisor determines the level of risk - low, normal, medium, high - according to the different ratings of the approved international rating agencies. FOGADE decides how the 10 basis points are weighted out among the different risk levels.

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)

No (Skip the next question)

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

8.1.11 What investment policies (i.e. safeguards against abuse) exist concerning the

use of the fund?

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

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

Access to private markets

null|null|null|

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

No

Section 9: Reimbursing Depositors

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

To be determined depending on the resolution method.

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?

As soon as the intervention is ordered by the supervisor.

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

No

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

Yes

Deposit insurance reimbursement should be completed within 30 days after receivership.

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

The methods of payment are still being studied by the administration of FOGADE. Once ready, these will be presented to the Board of Directors for their approval.

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

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

records?

Know your customer policy is in force.

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

After our version of PCA Letter process sets off.

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

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

Currently under design.

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

FOGADE and all its personnel is responsible by law for total secrecy of the depositors information.

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

Currently under design.

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

Currently under design.

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?

Other

No failure since DIS onset

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

Currently under design.

Section 10: Public Information & Awareness

10.1.1 What obligations are there to inform the public?

About the restitution process

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

DIS

null|null|null|null|null|

10.1.3 Are these explicitly stated in policy or law?

Yes

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

Yes

10.1.5 If so, what methods are utilized?

Brochures, Use of Official Sign to display insured status, Website
null|null|null|null|null|

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

Until closing.

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?

No

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

N/A

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?

Yes

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

No

The supervisor

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

From the supervisor

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.

FOGADE is designing an early warning application.

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.

An Action Plan has to be agreed upon between the supervisor and FOGADE as soon as there are deteriorating signs in a member institution. According to a current MOU, there is a first level of interaction when deterioration signals for need of prompt actions to correct situation, and FOGADE participates in extra situ monitoring and analysis. A second level of interaction is when the Supervisor request the bank management a set of corrective actions, and FOGADE participates in in-situ examinations. Once the Supervisor agrees to the proposed corrective actions, FOGADE is involved in all aspects of monitoring the institution under observation and requests all information on all assets and liabilities.

Section 12: Failure Resolution

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

Yes

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

The supervisor.

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

None

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

The Supervisor resolves when to close an institution.

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

Seven

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

No

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

Yes

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

Yes

12.2.2 Purchase and assumption (sale and merger)

Yes

12.2.3 Open bank assistance (e.g. recapitalization)

Yes

12.2.4 Bridge banks and other interim solutions

Yes

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

Least cost.

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

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

FOGADE can outsource the services of any private company services required to guarantee a successful resolution process.

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

The DIS can dispose of all assets to guarantee a least cost resolution, and handles all claims issues.

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)?

Maximization of nominal and present value recoveries.

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

N/A

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

The law sets forth the priority of claims and bidding processes.

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)?

N/A

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?

N/A

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

Imposed set off.

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?

N/A

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

Legislation and by laws on resolution processes.