

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:

The Bank of Korea

1.1.2 Organization Address:

110, 3-GaNamdaemunnoJung-GuSeoul100-794Korea

1.1.3 Organization Telephone No:

+82(2)759-4114

1.1.4 Organization Fax No:

1.1.5 Organization Internet Address:

www.bok.or.kr

1.2 Contact Person(s):

1.2.1 Contact Person(s) Name:

1.2.2 Contact Person(s) Address:

1.2.3 Contact Person(s) Telephone:

1.2.4 Contact Person(s) Fax:

1.2.5 Contact Person(s) E-mail address:

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:

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

1.3.1 Name of Central Bank:

1.3.2 Central Bank Address:

1.3.3 Central Bank Telephone:

1.3.4 Central Bank Fax:

1.3.5 Central Bank Internet Address:

1.3.6 Central Bank Contact Person:

1.4 Financial Supervisor:

1.4.1 Financial Supervisor Name:

Financial Supervisory Commission/Financial Supervisory Service

1.4.2 Financial Supervisor Address:

1.4.3 Financial Supervisor Telephone:

+82(2)3771-5000

1.4.4 Financial Supervisor Fax:

1.4.5 Financial Supervisor Internet Address and contact:

www.fsc.go.kr

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 Korea Deposit Insurance Corporation was established in June 1996. Prior to June 1996, Korea lacked an explicit deposit insurance system for banks. Instead, there existed an implicit government guarantee on bank deposits. As for financial institutions in financial sectors other than the banks, each sector had its own method of depositor protection, usually in the form of a fund. However, financial liberalization and evermore-fierce global marketplace brought increased competition and ensuing aggressive marketing among the financial institutions. Such atmosphere envisaged heightened likelihood of financial institution failures. In light of such dynamic environment, the Depositor Protection Act(DPA) was enacted in December 1995, and the Korea Deposit Insurance Corporation(KDIC) was accordingly established in June 1996 to formally protect depositors of insured financial institutions and to maintain public confidence in the financial system.

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 purpose of the DPA is to contribute to protecting depositors and maintaining the stability of the financial system by efficiently operating a deposit insurance system in order to cope with a situation in which an insured financial institution is unable to pay its depositors due to its insolvency or bankruptcy.

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

Researches by scholars, the related authorities and field experts and public hearings

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

Legislation

Depositor Protection Act and its Enforcement Decree

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 & privately administered

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

No

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

Yes

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

Yes

2.6.2 Terms and conditions of premiums or levies

Yes

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

Yes

2.7.2 Access to information through supervisory authorities

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

But in respect of insolvent financial institutions, it can request the FSC to take appropriate actions if the KDIC finds that the examined institution is at risk of insolvency.

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

Under the DPA, the KDIC has the right such as following (Article 21-2: Assignment and Assumption of Damage Claim Right) (1) KDIC shall have the right to request compensation for damages from former and current employees and/or officers of applicable insolvent or at risk of insolvency financial institutions (hereinafter referred to as "insolvent financial institutions" and includes their liquidators and bankruptcy administrators for this Article), persons responsible for insolvency or creating a risky circumstance pursuant to each Subparagraph of the Commercial Code 401 - Paragraph 2-1, default debtors of the insolvent financial institutions (if the debtor is a corporate entity: the former and current employees/officers of such corporation; persons falling under each Subparagraph of the Commercial Code 401 - Paragraph 2-1; and major shareholders as determined by the Presidential Decree) and from relevant third party entities (hereinafter referred to as "insolvency related entities"). 1. Institutions that the KDIC has been determined to be eligible for insurance claim payments or such payments have already been made according to [Article 31 and Article 34 - Paragraph (1)]. 2. Institutions that are applicable under [Article 36-3 - Paragraph (1)], that have been mandated by the KDIC to transfer their operations or client contracts to the KDIC or the KDIC has decided to make deposit and bond payments, or such payments have already been made. 3. Institutions to which the KDIC has decided to provide financial support or has already provided such assistance according to [Article 38]. (3) In the case that an applicable institution does not comply with the mandates of the KDIC under Paragraph (1), the KDIC can immediately assume and carry out damage payment request from the entities and individuals that caused or contributed to the insolvency.

2.8.4 Authority to cancel deposit insurance of a member institution

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

No

Basically FSS decides the form of failure resolution but the resolution method needs the approval of the Public Fund Oversight Committee that make a decision whether it accords with the least cost principle.

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).

No

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

2.10 Authority to:

2.10.1 Undertake formal liquidation

2.10.2 Purchase and assumption (sale and merger)

2.10.3 Open assistance (bridge bank)

2.10.4 Other forms of failure resolution

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)

Yes

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

Board of Directors,Other

The Policy Committee is the highest decision-making body and the Board of Directors is the highest executive body.|null|null|null|

3.1.3 How is the governing body selected?

KDIC is governed by a board of directors and the Policy Committee("Committee"). The Committee is comprised of nine individuals in all including the Chairman, who do also the president of KDIC. Other members are: the Vice Minister of the Ministry of Finance and Economy(MOFE), the Vice Minister of the Ministry of Planning and Budget, the Vice Chairman of the Financial Supervisory Commission, the Deputy Governor of the Bank of Korea, a person commissioned by Minister of the MOFE and three other persons recommended by Minister of the Ministry of Planning and Budget, the Chairman of the Financial Supervisory Commission, and the Governor of the Bank of Korea respectively and commissioned by the Minister of the MOFE. The Board of Directors is comprised of one President, one Senior Executive Director, four Executive Directors and one Auditor. The president of the KDIC is appointed by the President of the Republic of Korea upon the recommendation of the Minister of the Ministry of Finance

and Economy. The directors are appointed by the Minister of the Ministry of Finance and Economy upon the recommendation of the president of the KDIC and a statutory auditor is appointed by the Minister of the Ministry of Finance and Economy as well.

3.1.4 What is the composition of the governing body?

See the answer to the Question 3

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

The Policy Committee establishes the basic direction relating to the operation of the KDIC, in accordance with DPA, orders issued thereunder, or under the Articles of Incorporation, and deliberates matters such as the operation plan of the Deposit Insurance Fund. The Board of Directors renders decisions on various things such as matters that require deliberation and decision-making by the Policy Committee, Enactment or amendment and nullification of rules and regulations related to the operation of the KDIC.

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

Yes

As explained above, some members of the Policy Committee, the highest decision-making body, are from the governments, central bank and supervisor.

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

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

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

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

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

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?

Yes

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

Persons responsible for insolvency or creating a risky circumstance among former and current employees and/or officers of insolvent or at risk of insolvency financial institutions

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

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) ?

KDIC presently has 318 full-time employees and 374 individuals working on contract basis.

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

The majority of KDIC's employees are dedicated staff.

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

KDIC has a number of programs which have been put in place to provide training and development opportunities for employees. These include in-house information systems training, workshops and seminars utilizing outside instructors, resources or off-site training and development programs and conferences.

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.

3

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?

No

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

Training and development currently takes up 2% of KDIC's operating expenses and the total IT spending(the budget of Office of Information Resources Management) makes up approximately 3% of the total annual budget.

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

5.1.1 Who performs examinations of DIS member institutions?

Supervisor

The primary supervisor, FSS, performs examinations but KDIC can also participate in joint examinations with FSS as in answer 2 below.

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

KDIC does not usually perform regular audits or examinations of its member institutions. The primary supervisory authority, Financial Supervisory Service examines the affairs of all the financial institutions under the Financial Supervisory Commission's direction. But the KDIC can request the FSC to conduct examinations and/or allow the KDIC to participate in joint examinations of the insured financial institutions. Also, the KDIC can examine insolvent financial institutions for the purposes of discovering the degree of insolvency and to assess appropriate resolution methods.

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

Each financial institution including Banks, Merchant Banks, MSFCs, Credit Unions should report its current deposits information to KDIC through the Internet in real time every 5 days, 15days, and 30days. The information is about 1) Current depository balance-demand deposits accounts, savings accounts, trust deposit account, etc., 2) the Amount of the insured deposits and the Number of depositors classified according to the deposit scale, 3) Opening-closing ratio per 1 month, 4) Deposit amount classified according to its maturity. In addition, there is ongoing off-site monitoring system which helps minimize the potential loss of individual banks. For the monitoring system KDIC uses various materials; institutional data sources(ex. annual reports, press releases, published financial statements), public data sources(ex. rating agency reports, newspapers, journals, and magazines) and regulatory material sources(ex.. examination reports, surveillance and monitoring material, regulatory reports.

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.

To share information efficiently, FSS, BOK and KDIC made the conference. If equipped with fully loaded information about each financial institution through the seamless conference, each agency concerned can lift the quality of approaching its own supervisory goal. So far, we have taken a big step regarding information sharing, enough to share their own information through a computerized network. And FSS, BOK and KDIC are cooperating to share their all information on a computerized network along with a safety net.

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

3

5.2.2 timeliness

4

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

Yes

Under the DPA and the Act Concerning the Structural Improvement of the Financial Industry, there are two common definitions regarding problem institutions. The first one is "failed financial institutions" which means the following insured financial institutions:(a) Insured financial institutions, the liabilities of which are found to exceed their assets as a result of due diligence, or insured financial institutions as and when they become clear that it would be difficult to manage the institutions normally because their liabilities are in excess of their assets due to occurrence of large scale of financial losses or non-performing assets, which are so determined by the Financial Supervisory Commission or the Policy Committee mentioned in [Article 8];(b) Insured financial institutions which have suspended payment of deposits and other claims, or of redemption on borrowed money from other financial institutions; and(c) Insured financial institutions for which the Financial Supervisory Commission or the Policy Committee mentioned in [Article 8] deems it would be difficult for the institutions to pay deposits and other claims or redeem borrowed money without financial assistance or separate external borrowing (excluding borrowing incurred in respect of ordinary financial transactions);And the second one is "failing or insolvency-threatened financial institutions" which means insured financial institutions whose financial structures are so unsound that the Policy Committee mentioned in [Article 8] deems insolvency is imminent.

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?

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

5.2.6 How often do you contact other DIS?

Occasionally

We do not maintain a regular channel of communication with domestic DISs(deposit insurance funds independently operated by financial sectors that are not protected by the KDIC).We contact abroad DISs when ever we need to solicit guidance or information from them or when have obtain information that we believe might be useful to share.

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?

Banks, Securities companies, Insurance companies, Merchant banks, Mutual savings & finance companies and Credit Union are insured by the KDIC

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

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?

Once Financial Supervisory Commission gives a new institution approval of the incorporation and license, it becomes automatically a new member of KDIC.

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?

1,590(as of February 31,2002)

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

Insurable deposits- 609,830 billion won(as of january, 2002)

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?

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

Savings account,Other

In general, the money that is simply being kept in the insured financial institutions for safe keeping with a nominal interest and with no relationship to any type of performance-based-yield products is construed as the insured deposits. (1) Banks: Deposits, Installment Savings (2) Securities Companies: Savings Deposits, Cash and Deposits for investment purposes (3) Insurance Company: Premium Income from individual and surety contracts, Premium Income from resignation surety contracts(4) Merchant Banking Corporations (MBCs): Deposits in relations to bank issued notes, Cash Management Account (CMA)(5) Mutual Savings Bank (MSB): Loan association fund deposits, regular deposits, Installment savings(6) Credit Unions: Deposits, Installment Savings, equity participation funds |null|null|null|null|null|null|null|null|

7.1.3 Is coverage

per depositor per institution

7.1.4 What is the coverage limit per depositor?

50 million KRW

7.1.5 How was this figures arrived at?

Percentage in terms of amounts of deposits and the number of accounts had been evaluated and then the coverage limit was decided at the level of 50 million KRW which covers more than 90% deposit accounts and around 40% of deposits amount in the bank.

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

No limit

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

Foreign (non-residents),Corporations (domestic),Corporations (foreign),Other
Under DIA, the term "depositors" means those who have deposits and other claims on insured financial institutions;|null|null|null|null|

7.1.8 Is the coverage amount indexed?

No

7.1.9 What is it indexed to?

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?

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

Yes

If a failed institution is resolved by the financial assistance or P&A, there is no loss for depositors and deposits are fully insured. However, deposits are insured up to 50 million KRW if it is resolved by the deposit payoff.

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

There have been some incidents of deposit payoff when the deposits of some credit unions and mutual savings bank have not been protected over the coverage limit.

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

A description of new or proposed new financial products is usually provided to KDIC by the member institution. KDIC then determines the eligibility of the deposit by assessing its features and characteristics with those incorporated into the definition of a "deposit" contained in the DPA.

7.1.15 When member institutions merge how are insured deposits treated?

If an amalgamation of KDIC members results in total insurable deposits with the new member institution exceeding the 50 million KRW maximum, your insured deposits in each institution on the date of merger continue to be insured for up to one year.

7.2 Does your country offer the following?

7.2.1 Islamic banking

7.2.2 Islamic deposit insurance

Section 8: Funding & Fund Management

8.1.1 What type of funding is used by the DIS?

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?

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)

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

8.1.5 How often is the premium assessed?

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

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

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)

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.

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

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

Section 9: Reimbursing Depositors

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

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

9.1.3 When is the DIS obligated to reimburse insured depositors?

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

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

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

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.

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

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

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)?

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

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

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

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

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

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?

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

Section 10: Public Information & Awareness

10.1.1 What obligations are there to inform the public?

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

10.1.3 Are these explicitly stated in policy or law?

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

10.1.5 If so, what methods are utilized?

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

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.

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?

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

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?

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

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?

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.

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.

Section 12: Failure Resolution

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

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

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

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

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

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?

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

12.2.2 Purchase and assumption (sale and merger)

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?

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?

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

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)?

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

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

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)?

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?

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?

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?)

**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.**

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?

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