



What's New at IADI?

Volume 3, Issue 9

31 May 2005

Highlights:

Profile of the Latin America Regional Committee

Meeting of the Latin America Regional Committee in Cartagena this week.

Update on the Almaty Conference, pictures and presentations

Registration Information for [Fourth Annual Conference in Taipei](#)

You are invited!

Join us for the IADI Fourth Annual Conference
and Annual General Meeting in Taipei

27 – 29 September 2005



Preparations for the IADI Fourth Annual Conference and
AGM are now in full swing!

You can register via the [Special Conference Website](#). You will also find here the direct links to registration forms, program and Hotel booking forms to attend IADI's Fourth Annual Conference, in Taipei 27-29 September 2005:

[To the Fourth Annual Conference Website](#) and [Fourth Annual Conference Program](#)

[To Registration Forms for IADI Participants and non IADI Participants](#)

[To Reservation Form to book accommodation the Grand Hotel](#) (Conference Venue)

[To Reservation Form to book accommodation at the Hualien Bellavista Resort](#)

Message from the Conference Chair



On behalf of the 2005 IADI Conference Task Force and the [Central Deposit Insurance Corporation \(CDIC, Taiwan\)](#), I would like to invite you to participate in the [International Association of Deposit Insurers \(IADI\) Fourth Annual Conference](#) and CDIC's 20th Anniversary in Taipei, from 27-29 September 2005.

Chin-Tsair Tsay,

Chair of the IADI 2005 Annual Conference and Chairman of the Board of CDIC

IADI was founded in May 2002 by deposit insurers, central banks and financial supervisory agencies around the world. The aim of **IADI** is to contribute to the stability of financial systems by promoting international cooperation in the field of deposit insurance and to encourage wide international contact among deposit insurers and other interested parties.

To fulfil these objects, **CDIC** is working with [Conference Task Force members](#) and the **IADI** Secretariat to host the **Fourth Annual Conference** as an important vehicle for sharing knowledge with and bolstering common interests of deposit insurers and other financial safety net players.

Central Deposit Insurance Corporation has, since its establishment in September 1985, devoted its full efforts to strengthen the deposit insurance system in Taiwan for the sake of maintaining financial stability and complementing financial regulatory bodies in the implementation of their task. **CDIC** also dedicated to actively participate in international activities and help to promote global cooperation.

CDIC is greatly honoured to host the **Fourth Annual Conference**. In order to address the important issues facing deposit insurers, **CDIC** has invited **leading international scholars, experts and practitioners** to jointly explore and share with each other experience and insights on the latest developments in deposit insurance and banking industries that pertain most directly to financial safety net players around the world. Panel discussions during the Conference will cover recent advancement and issues of interest in deposit insurance with **primary focus on the challenges for deposit insurers in resolving bank failures**.

As host of the Conference, **CDIC** will make every endeavour to make the conference successful. In closing, I would like to recommend that you visit our [Conference website](#) and I extend to you my warmest welcome to participate in this event with IADI and CDIC in this September!



*Chair of the 2005 IADI Conference Task Force
Chairman of the Board, Central Deposit Insurance Corporation*

PROFILE OF THE LATIN AMERICA REGIONAL COMMITTEE

1. Terms of Reference

The mission of the **Latin America Regional Committee's (LARC)** is to reflect regional interests and common issues through the sharing and exchange of information and ideas in a manner to further the objects of IADI.

The terms of reference of the Committee are to i) prepare comparative studies of the deposit insurance systems in the region, their efficiency and contribution to financial stability, ii) make comparative analysis of the size distribution of deposits and other quantitative aspects of those deposit insurance systems, iii) identify sound early warning indicators to improve risk assessment, iv) organize conferences and promote meetings among members, v) evaluate needs for technical assistance, advice and training, vi) propose prospective new members to the **IADI** and vii) Liaise with relevant international organizations (ie. BIS, IMF, WB, CEMLA, ASBA, and CMCA).

2. Composition of LARC

(i) Carlos Isoard (Chair), *Instituto para la Protección al Ahorro Bancario, Mexico*

(ii) Antonio Carlos Bueno de Camargo Silva, *Fundo Garantidor de Créditos, Brazil*



(iii) Juan Klingenberg, *Fondo de Seguro de Depósitos, Peru*

(iv) Oscar Armando Pérez Merino, *Instituto de Garantía de Depósitos, El Salvador*

(v) Juan Ricardo Ortega, *Fondo de Garantías de Instituciones Financieras, Colombia*

(vi) Jesús Enrique Caldera Infante, *Fondo de Garantía de Depósitos y Protección Bancaria, Venezuela*

(vii) Luis Salinas Álvarez (Invité), *Sociedad Gestora de Fondos de Garantía de Depósitos, Spain*



3. Summary of Current Business Plan

The current Work Plan was approved by the members on April 2003 and incorporated in IADI's web site. The Plan includes the LARC's mission and objectives, terms of reference, organization and job tasks, communication guidelines among members and with third parties, and deliverables.

The objectives of LARC are: i) improve technical aspects and legal underpinnings of deposit insurance systems; ii) promote collaboration regionally and internationally among members; and iii) undertake outreach activities to build IADI's membership and provide networking opportunities.



In order to develop a joint project of common interest for Latin America and to identify subjects that could forge participation of LARC members and of other regional countries, the Committee considered the celebration of regional forums / seminars as a suitable point of departure.

4. Meetings

- On 25-27 August 2004, the Instituto para la Protección al Ahorro Bancario, Mexico (IPAB) hosted the seminar **Deposit Insurance in Latin America: Challenges and Perspectives in Acapulco, Mexico**. On Wednesday 25th, the LARC held a working session open to all seminar participants.



The seminar's various events were honored by the presence of the President of IADI and of the representatives of various organizations including the BIS, IMF, The World Bank, IADB, CEMLA, and CMCA, as well as of deposit insurance and bank supervisory agencies and central banks from 11 countries in Latin America.



- On 1-3 June 2005, **Fondo de Garantías de Instituciones Financieras, Colombia (FOGAFIN)** will host a **LARC meeting** and a **Seminar on "Minimizing the Cost of a Financial Crisis"**. On 1 June, the World Bank will offer a Workshop on Bank Resolution.



The event will take place in **Cartagena, Colombia** and will focus on **financial system monitoring, recovery of non-performing assets and differential risk premiums as a market discipline**. All the members from the financial system safety net of the region are invited to participate (central banks, supervisors and deposit insurers).

What's New in Your World?

Update on the **International Conference "Early Warning Systems as a Key Issue to Bank Solvency and Financial Stability"** by John Raymond LaBrosse

An event sponsored by the Kazakhstan Deposit Insurance Fund, the State Secretariat for Economic Affairs (Switzerland), the International Association of Deposit Insurers, the European Bank for Reconstruction and Development, and USAID

Kazakhstan Deposit Insurance Fund was the host for the Eurasia Regional Committee's second international conference, which was held in Almaty, Kazakhstan from 17-20 May 2005. Consistent with IADI's vision "to share deposit insurance expertise with the world", deposit insurers and policy makers from many parts of central Asia and around the world were invited to make presentations and participate in the conference.



Conference Participants in the Early Warning Systems Conference 17-20 May
in Almaty, Kazakstan

The Conference, opened by [Bakhyt Mazhenova](#) and which included stimulating remarks from [Jean Pierre Sabourin](#), Chair of the Executive Council and President, [International Association of Deposit Insurers](#), had as its main theme: **“Early Warning Systems as a Key issue to Bank Solvency and Financial Stability”**. The specific objectives of the Conference were to:

- a. create awareness about the benefits of broader mandates for deposit insurance systems;
- b. strengthen the existing deposit insurance arrangements in central Asia through experience sharing; and
- c. assist central Asian countries that are in the process of introducing formal depositor protection in the design and implementation of their systems.

Apart from the opening session, there were ten sessions focusing on different issues in deposit insurance plus a Special Session on Contingency Planning.

Many of the sessions focused on understanding and promoting measures to ensure that deposit insurance systems play their role in contributing to financial stability. Attention focused on ways to promote confidence, governance and interrelationship issues, minimizing the cost of bank failures, early warning systems, differential premiums, the new Basel capital standards, trigger mechanisms for early intervention, techniques to improve the resolution of failed banks and lessons learned from introducing deposit insurance systems.

The sessions unequivocally highlighted the achievements of the many long-established deposit insurance systems as well as the challenges confronting them. The importance of contingency planning and effective early warning systems was stressed throughout the conference and there was a look at the role that enterprise risk management can play to help deposit insurers understand and manage the risks that they face in meeting their mandates.

The audience of seventy from central Asia plus representatives from Asia, Russia, Poland, Czech Republic, Ukraine Jordan, Tanzania, the United States and Canada gave the conference a truly international scope. The Conference drew its facilitators from around the world and it clearly achieved its goal of sharing deposit insurance expertise, a hallmark of the [International Association of Deposit Insurers](#).

I was pleased to attend the conference as a presenter and a representative of the [International Association of Deposit Insurers](#) and I would like to personally thank [Bakhyt Mazhenova](#) and the entire staff of the ***Kazakhstan Deposit Insurance Fund*** for their hospitality during my visit to such a wonderful country. I look forward to many such visits and events in the future!

John Raymond LaBrosse, *Secretary General*

[To the Almaty Conference Presentations on the IADI Website](#)

PUBLICATIONS:

You may find the following news releases of interest:

Bank for International Settlements:

1. [Central Bank Cooperation at the Bank for International Settlements, 1930-1973 \(BIS Press Releases 17 May 2005\)](#)

2. International Journal of Central Banking launched
<http://www.bis.org/press/p050519.htm>

The Bank for International Settlements (BIS), along with the other sponsoring organisations¹ of the International Journal of Central Banking (IJCB), announced on 19 May 2005 the publication of the journal's first issue. The BIS also hosts the IJCB's website (www.ijcb.org).

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This newsletter was issued on 31 May 2005. Want to share your expertise? To submit articles or items for consideration for a future issue please send them to info@iadi.org