

June 4, 2010

Honorable Mario Draghi
Chairman
Financial Stability Board
Bank for International Settlements
Basel, Switzerland

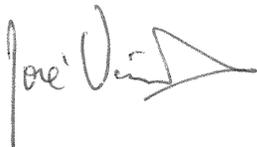
Dear Mr. Draghi: *Dear Mario*

We are pleased to transmit to the Financial Stability Board (FSB) the attached report titled "Update on Unwinding Temporary Deposit Insurance Arrangements." This report was prepared in response to a request from the FSB for the International Association of Deposit Insurers (IADI) and the International Monetary Fund (IMF) to update their September 2009 report on the same topic. The earlier report documented permanent and temporary measures jurisdictions have taken to enhance deposit insurance protections in response to the financial crisis. It also described plans to unwind the temporary measures in a timely fashion,

Like the earlier report, the updated version draws on the results of a survey of jurisdictions that enhanced deposit insurance protection in response to the financial crisis. This survey was conducted jointly by IADI and the IMF with the assistance of the European Forum of Deposit Insurers (EFDI). The report discusses (i) the progress of regional efforts to coordinate unwinding efforts, (ii) initiation of deposit insurance protection reforms, (iii) regional variations in coverage resulting from actions taken, and (iv) implications and conclusions.

We hope that this report and its findings are useful to the FSB. We would be pleased to provide further information or analysis on this topic if desired.

Sincerely yours,



José Viñals
Financial Counsellor and Director
Monetary and Capital Markets Department
International Monetary Fund



Martin J. Gruenberg
President
International Association of Deposit
Insurers

Attachment

cc: Jonathan Fiechter

Report to the Financial Stability Board

June 2010

**Note by the Staffs of the International Association of Deposit Insurers and
the International Monetary Fund**

on

Update on Unwinding Temporary Deposit Insurance Arrangements

Update on Unwinding Deposit Insurance Arrangements

June 2010

I. Background

In September 2009, in response to a request of the Financial Stability Board (FSB), the International Association of Deposit Insurers (IADI) and the International Monetary Fund (IMF) staff reported on strategies to unwind temporary depositor protection. To this end, IADI and the IMF, with the assistance of the European Forum of Deposit Insurers (EFDI), surveyed jurisdictions that had increased deposit insurance protection or adopted full depositor guarantees in response to the financial crisis. Jurisdictions were asked to provide information on measures taken, plans for unwinding temporary deposit insurance coverage measures, and whether the jurisdiction had initiated transition planning with other jurisdictions in their region that may be affected by their transition plan. The results of that joint IADI-IMF effort were provided in a report to the FSB.¹

In March 2010, the FSB requested that IADI and IMF update the September 2009 report, highlighting any major recent changes and developments that have occurred since its completion. This update of the September 2009 note draws again on responses to a survey of jurisdictions that had introduced deposit insurance enhancements in response to the crisis. This exercise was conducted by IADI and IMF staff, with EFDI assistance. Fifty-one jurisdictions were contacted and asked to document changes made to their deposit insurance system since October 2009 and to provide, more specifically, the following information:

- Depositor protection enhancement measures taken during the crisis;
- Unwinding actions taken to date by jurisdictions that adopted full guarantees or temporary increases;
- Progress of regional efforts to coordinate unwinding;
- Initiation of depositor protection reforms.

This updated note is structured as follows: Section II presents updated findings; Section III examines findings from a regional perspective; and Section IV presents implications and conclusions.

¹ Note by the Staffs of the International Association of Deposit Insurers and the International Monetary Fund, on Update on Unwinding Temporary Deposit Insurance Arrangements, Report to the Financial Stability Board, September 2009, available at http://www.financialstabilityboard.org/publications/r_091107b.pdf?noframes=1.

II. Updated Findings

A. Depositor Protection Enhancement Measures Taken During the Crisis

During the financial crisis, 48 jurisdictions adopted some form of enhanced depositor protection. This update includes deposit insurance enhancement measures adopted in the 46 jurisdictions included in the September 2009 report as well as two jurisdictions not previously identified (Montenegro and Serbia). More specifically, this update reveals that: (i) 19 jurisdictions provided full depositor guarantees; (ii) 22 jurisdictions increased permanently their deposit insurance coverage; and (iii) 7 jurisdictions increased deposit insurance levels on a temporary basis (Table 1).

**Table 1. Actions Taken to Increase Deposit Insurance
(Updated from September 2009—Categorizations Based on Initial Actions Taken)**

Full Depositor Guarantees	Deposit Insurance Coverage Increase	
	Permanent	Temporary
Austria 6/	Albania	Australia
Denmark	Belgium	Brazil
Germany 1/	Bulgaria	Netherlands
Greece 1/	Croatia	New Zealand
Hong Kong, SAR	Cyprus	Switzerland
Hungary 1/	Czech Republic	Ukraine
Iceland 1/	Estonia	United States 4/
Ireland 2/	Finland	
Jordan	Indonesia	
Kuwait	Kazakhstan	
Malaysia	Latvia	
Montenegro 5/	Lithuania	
Mongolia	Luxembourg	
Portugal 1/	Malta	
Singapore 1/	Philippines	
Slovakia	Poland	
Slovenia	Romania	
Thailand 3/	Russia	
United Arab Emirates	Serbia 5/	
	Spain	
	Sweden	
	United Kingdom	
19	22	7

Notes: Full depositor guarantee consists of guarantees covering all deposits or the majority of all deposits in the banking system. In the case of Italy, no actual coverage increase has occurred; however, Law N.190 passed in December 2008 as a result of the international crisis, gives the minister for economy and finance

power to introduce a state guarantee for depositors for a period of 36 months. In the case of Saudi Arabia, a full guarantee in effect prior to the crisis was reaffirmed in October 2008 in response to the crisis.

1/ Political commitments by government.

2/ Full guarantee for seven specific banks representing 80 percent of the banking system.

3/ Existing full guarantee in effect since 1997, originally set to expire in 2008. During the 2008 crisis, full guarantee was extended by two years.

4/ Does not take into consideration program providing for temporary unlimited guarantee for non-interest-bearing transaction accounts.

5/ Not included in 2009 Unwinding report.

6/ Full deposit guarantee applied to individuals only.

B. Unwinding Actions Taken to Date by Jurisdictions that Adopted Full Guarantees or Temporary Increases

Actions taken to unwind temporary depositor protection adopted in response to the crisis continue to consist almost exclusively of announced termination dates. As noted in the September report, such announcements have typically been included in the laws or regulations establishing the full deposit guarantee or increased deposit insurance coverage. Seventeen of the 26 jurisdictions (65 percent) that adopted temporary or full guarantee protection measures have announced end dates with most end dates occurring this year or next (Table 2). Additionally, as noted below, a few jurisdictions have replaced temporary measures by permanent higher deposit coverage, several jurisdictions have extended their previously announced termination dates, and a number of jurisdictions have not yet announced termination dates.

- **Two jurisdictions that adopted full guarantees (Austria and Montenegro) have since replaced these measures with permanent increases in deposit insurance coverage levels.** These jurisdictions have indicated their intent to comply with the European Union Directive 2009/14/EC.
- **Eleven jurisdictions still plan to phase out temporary measures by the previously announced expiration dates.** The dates extend from the present to the end of 2013, with most jurisdictions currently planning to phase out the special measures during 2010 or 2011.
- **Four jurisdictions that had adopted a full guarantee (Jordan) or a temporary increase in coverage (New Zealand, Switzerland, and the Netherlands) have extended their previously announced expiration dates by one year.**
- **Nine jurisdictions have not yet announced end dates for the temporary measures** (this includes two jurisdictions that have announced adoption dates for permanent coverage, but have not yet announced when political full guarantees will be terminated (Greece and Portugal)).

Table 2. Current Status of Full Guarantees and Temporary Increases

Jurisdiction	Expiration Date Announced	Expiration Date Announced		
		Replaced with a Permanent Increase	Original Expiration Date	Original Expiration Date Extended
Full Guarantee				
Austria 6/	Yes	1/1/10		
Denmark	Yes		9/30/10	
Germany	No			
Greece 1/	No			
Hong Kong, SAR	Yes		12/31/10	
Hungary	No			
Iceland 2/	No			
Ireland	Yes		9/29/10	
Jordan	Yes			1 year to 12/31/10
Kuwait	No			
Malaysia	Yes		12/31/10	
Mongolia	No			
Montenegro	Yes	1/1/10		
Portugal 1/	No			
Singapore 3/	Yes		12/31/10	
Slovakia	No			
Slovenia	Yes		12/31/10	
Thailand	Yes		8/10/11	
United Arab Emirates	Yes		10/12/11	
Temporary Increase				
Australia	Yes		10/12/11	
Brazil	No			
Netherlands	Yes			1 year to 12/31/10
New Zealand 4/	Yes			1 year to 12/31/11
Switzerland 5/	Yes			1 year to 12/31/11
Ukraine	Yes		1/1/11	
United States	Yes		12/31/13	

1/ Legal coverage limit valid until 12/31/11, but no expiration date reported for the political guarantee.

2/ As of May 2010, a bill has been recently introduced to set the deposit coverage limit to EUR 50,000 on a permanent basis.

3/ Changes to the scheme considered for 2011. No specific date reported.

4/ Extension with lower coverage level.

5/ The Swiss government presented a proposal to make coverage increase permanent.

6/ Full deposit guarantee applied to individuals only.

C. Progress in Coordinating Unwinding Actions

As observed in the September note, regional coordination efforts can play an important role in the success of policies aimed at disengaging from extraordinary depositor protection policies or transitioning to ordinary protections. This update discusses the status of regional coordination efforts regarding exit strategies.

- **Most European jurisdictions indicate that they are implementing deposit insurance arrangements consistent with the revised directive as regards deposit insurance coverage and either currently meet or plan to revert to the harmonized EU coverage level in the future.** The new rules under EU Directive 2009/14/EC took effect at the end of 2009 and call for coverage of the aggregate deposits of each depositor to be set at a level of EUR 100,000 by December 31, 2010.
- **Malaysia; Singapore; and Hong Kong, Special Administrative Region established a tripartite working group announced in July 2009 to map out a coordinated strategy for the planned depositor guarantees unwinding by the end of 2010.**² The tripartite group is active and operational details are to be elaborated at a meeting in June 2010. Malaysia and Singapore appear to be independently exploring deposit insurance reforms. Indonesia and Thailand have indicated interest in collaborating on transitioning with other authorities in the region. Deposit insurers in the region have been engaged in information sharing at regional conferences on topics relevant to transitioning and unwinding.
- **Both Australia and New Zealand have indicated an interest in regional transition planning, given the interdependence between the two financial systems.** While there are no formal transition plans at this stage, the two jurisdictions have coordinated announcements regarding exit planning to Group of 20 members.
- **Regional cooperation in the Middle East is expanding.** Jordan has hosted a regional conference focusing in part on transitioning plans in the region and is in the process of planning to meet with other jurisdictions in the Middle East region. Kuwait reported that the modalities of regional cooperation are well set, with periodic meetings of governors of central banks and monetary authorities in the region. The United Arab Emirates indicated openness to regional cooperation.

² See “Tripartite working group on exit strategy for the full deposit guarantee,” Bank Negara Malaysia press release, July 22, 2009, available at <http://www.bnm.gov>.

D. Initiation of Depositor Protection Reforms

Following the adoption of EU Directive 2009/14/EC in March 2009, the EC is now reviewing the Directive as a whole and is expected to announce amendments in the near future. The EC is particularly focused on coverage levels, payout capabilities, and adequacy of funding.

Numerous other jurisdictions have reported reform activities related to strengthening deposit insurance (Appendix A). Many jurisdictions are focusing on fundamental reform of deposit insurance systems, including adequacy of coverage levels; payout capabilities; increased funding through ex ante funding and/or additional ex post funding; risk-based differential premiums; enhanced coordination and information sharing among financial authorities; and resolution authority. The Core Principles for Effective Deposit Insurance Systems, jointly released by IADI and the Basel Committee on Banking Supervision (BCBS) in 2009, provide a useful set of benchmarks to guide jurisdictions in identifying necessary reforms.³

III. Regional Analysis

The global crisis affected jurisdictions and regions to different degrees. In broad terms, the United States, United Kingdom, and European economies were severely affected by the crisis while the economies in Africa, Asia, Latin America, and the Middle East suffered relatively smaller shocks. The preventing policy responses adopted in some jurisdictions in these regions, however, were similar. Various jurisdictions spared by the crisis sharply increased depositor protection, protected a variety of asset classes, and increased market liquidity.

While the broad policy direction was similar, the impact on depositor protection measured in terms of GDP per capita differed, resulting in differences across regions as well as within regions, particularly the European Union (Table 3).⁴ Specifically:

- While on average European coverage levels remained relatively moderate due to the adoption of common coverage levels, significant differences in GDP per capita terms have emerged among these jurisdictions. European countries that adopted the €100,000 coverage level as specified in EU Directive 2009/14/EC resulted in averages ranging from 1 ½ times to 12 times per capita GDP.

³ The IADI/BCBS Core Principles for Effective Deposit Insurance Systems are available at <http://www.bis.org/publ/bcbs156.htm>.

⁴ Coverage based on per capita GDP ratios is the only comparator across jurisdictions. It provides a statistical description, and should not be relied on as the only source of coverage analysis.

- Asian jurisdictions retained significantly higher protection levels, ranging from 5 times per capita GDP to over 80 times. The very high protection levels in Asia may reflect, in part, the legacy from the 1998 Asian crisis where blanket guarantees were introduced and have been slowly dismantled over the period.

Certain regions of the world were largely spared by the crisis and did not adopt enhanced deposit insurance measures in 2008, including most of Africa and Latin America. As a result, deposit insurance coverage disparities, measured as percent of GDP per capita, between those jurisdictions in regions affected by the crisis versus those regions not affected may have widened.

IV. Implications and Conclusions.

The actions taken by 48 jurisdictions in response to the financial crisis have contributed to financial stability. The measures adopted increased existing deposit insurance coverage, enhancing depositor protection. Attention is now focused on the need to unwind these actions without further disrupting financial stability. Some progress is being made in both regional cooperation and in setting the agenda for unwinding these emergency measures. To date, efforts to unwind these actions have largely taken the form of announced dates for termination of the special measures in the near future.

One apparent trend is the maintenance of higher permanent levels of depositor protection following the unwinding of the special measures. Several jurisdictions shifted from temporary full protection to limited deposit coverage, albeit at higher coverage levels than before the crisis. These policies have helped maintain financial stability in the face of continued uncertainty about the future course of the global economy.

A related development is the postponement of the planned unwinding of extraordinary protection. Many jurisdictions announced termination dates for additional depositor protection in response to concerns about disincentives to market discipline. In some cases, as the announced termination dates have approached, however, authorities determined that a slower transition to more permanent levels should take place and have extended their unwinding plans.

A third observation is that regional cooperation remains an important goal. Members of the EU have unified their approach, with members agreeing to adopt higher common coverage levels. Many Asian jurisdictions remain committed to supporting such regional cooperation and efforts to initiate regional dialogues are ongoing in the Middle East as well.

Table 3. Coverage Levels by Selected Regions and Jurisdictions

Jurisdiction	Coverage 1/		Ratio 2/	
	Old	New	Old	New
Europe ³				
Albania	LEK 700	LEK 2,500	2.0	6.9
Austria	€20	€50	0.6	1.5
Belgium	€20	€100	0.6	3.2
Bulgaria	LEV 40	LEV 100	4.6	11.4
Croatia	HRK 100	HRK 400	1.3	5.3
Cyprus	€20	€100	0.9	4.7
Czech Republic	€25	€50	1.8	3.8
Denmark	DKR 300	...	0.9	...
Estonia	€20	€50	1.7	4.9
Finland	€25	€50	0.7	1.6
Germany	€20	€50	0.7	1.7
Greece	€20	€100	0.9	4.7
Hungary	FT 6,000	€50	2.3	5.3
Ireland	€20	€100	0.5	2.7
Latvia	€20	€50	2.0	6.0
Lithuania	€22	€100	2.3	12.5
Luxembourg	...	€100	...	1.3
Malta	€20	€100	1.4	7.3
Netherlands	€20	€100	0.6	2.9
Poland	€23	€50	2.4	6.2
Portugal	€25	€100	1.6	6.5
Romania	...	€50	...	9.2
Russia	RUB 400	RUB 700	1.4	2.5
Slovakia	€20	...	1.6	...
Slovenia	€22	...	1.2	...
Spain	€20	€100	0.8	4.4
Sweden	€25	€50	0.7	1.6
Switzerland	SWF 30	SWF 100	0.4	1.4
Ukraine	UAH 50	UAH 150	2.4	7.6
United Kingdom	£ 35	£ 50	1.5	2.2
Asia				
Australia	...	AU \$ 1,000	...	17.4
Indonesia	RP 100,000	RP 2,000,000	4.6	82.5
Kazakhstan	T 700	T 5,000	0.7	4.8
New Zealand	...	NZ \$ 1,000	...	23.3
Philippines	PHP 250	PHP 500	3.0	6.0
Singapore	S \$ 20	...	0.4	...
Middle East				
Jordan	JOD 10	...	3.9	...
Kuwait	...	...	...	...
Saudi Arabia	...	...	...	...
United Arab Emirates	...	...	...	...
Western Hemisphere				
Brazil	R \$ 60	R \$ 20,000	3.8	1218.5
United States	\$ 100	\$ 250	2.1	5.4

Source: Appendix A.

Note: "..." indicates jurisdictions that either the coverage level was not reported, a full guarantee was enacted without a formal increase in the coverage limit, or did not have a deposit insurance scheme in place.

1/ In thousands. For jurisdictions that reported a formal deposit coverage limit in addition to a full guarantee, the coverage limit is reflected in the table.

2/ Old ratio expressed as a factor of 2008 GDP per capita. New ratio expressed as a factor of 2009 GDP per capita. Based on IMF GDP per capita data.

3/ All EU jurisdictions are expected to transpose 2009/14/EC Directive by the end of 2010 and raise coverage level to €100,000.

These efforts also point to areas for further consideration and research. For example, in those jurisdictions planning on maintaining higher coverage levels, concerns may arise regarding moral hazard, the impact of higher coverage levels on the level of insurance premiums, and the potential effect on governments' contingent liabilities (as ultimate backstop to the deposit insurer). If these matters are inadequately addressed, higher coverage levels could undermine rather than strengthen financial stability. In addition, consideration may be given to appropriate design features of deposit insurance systems incorporating high coverage levels. An additional area for research relates to the potential implications of widening permanent coverage gaps across jurisdictions and regions as a result of the adoption of higher permanent coverage levels by some jurisdictions affected by the crisis.

On the other hand, in those jurisdictions planning to reduce coverage, considerations of the appropriate target level of coverage and the appropriate speed of adjustment is important. Experience has shown that prematurely reducing coverage levels can adversely impact public confidence.⁵ There are three significant issues facing these jurisdictions:

1. Determining appropriate coverage levels (keeping in mind the guideline of protecting the greatest number of depositors, but a relatively small amount of deposits).
2. Carefully planning the transition to lower coverage, with an emphasis on effective communications.
3. The need for legislation, if the higher levels have been established in law.

More broadly, the current global crisis seems to have reinforced deposit insurance as a useful addition to containment tools used in crisis management. In most jurisdictions, financial concerns, as reflected by runs, were still concentrated in the debt markets at the time that the deposit coverage increases were announced. Thus, the adoption of higher deposit insurance coverage levels in many jurisdictions helped prevent the panic of debt investors from being transmitted to depositors. Deposit insurance systems have traditionally focused on the protection of smaller depositors, but the recent role of these systems in crisis containment may give greater prominence to deposit insurance as a preemptive tool in the broader financial stability framework.

⁵ In past crises, authorities waited several years after banks had been recapitalized and recovered profitability before instituting a gradual exit path. For example, Thailand is yet to remove such measures introduced in 1997 while Japan, Mexico, and Turkey also took several years to remove full deposit guarantees. The exit path was gradual and publicly announced.

Appendix A. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees¹

Appendix Table 1. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

A. Jurisdictions Adopting a Full Guarantee[†]

Based on 2009 Survey								
Jurisdiction	Information on Full Guarantee Measures Taken				Transitioning Plans for Full Guarantees		Reforms Introduced	Updates Based on 2010 Survey
	Date (M/D/Y)	Original Coverage	Political or Legal	Other Formal Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
Austria	10/1/08	€20,000	Legal (for individuals)	<p>Until 06/09: €50.000 for SMEs and €20.000 for all other non-individuals with a 10 % co-insurance for both segments.</p> <p>From 07/09: €50.000 without co-insurance for non-individuals</p>	<p>Guarantee coverage to end 12/31/09. €100,000 in effect from 01/01/10.</p> <p>Coverage for non-individuals to be raised to €100,000 on 1/1/2011.</p>	None reported	None reported	<p>- Full guarantee for individuals replaced with permanent increase (€100,000 in effect from 01/01/10.)</p> <p>- Will comply with EU Directive 2009/14/EC.</p>

¹ Italy responded to the 2010 survey. However, it is excluded from the table presented since no specific increase was announced. Instead, Italy reported that Law n. 190, passed in December 2008 as a result of the international crisis, gave the Minister for Economy and Finance power to introduce a state guarantee for depositors for a period of 36 months.

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	Date (M/D/Y)	Original Coverage	Political or Legal	Other Formal Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
Denmark	10/01/08	DKR 300,000		€50,000 (non-guarantee members)	Guarantee from 10/5/08 to 9/30/10, reverting to €100,000 limit effective 10/1/10, per deposit insurer.	None reported.	None reported	- Full guarantee reverts to €100,000 limit effective 10/1/10
Germany	10/5/08	€20,000	Political	€50,000 (6/30/2009)	-Political Guarantee ² is subject to review by the next elected government. - Coverage to €100,000 on 12/31/2010.	Will comply with EU Directive 2009/14/EC.	The German Federal Act on Deposit Insurance and Investor Compensation effective 06/3/09 increased the coverage levels, eliminated co-insurance and reduced payout to comply with Directive 94/19/EC	Guarantee remains a political question which probably needs to be revised by the government.
Greece	11/7/08	€20,000	Political	€100,000	Increase valid until 12/31/11, but indefinite political guarantee.	Consider regional collaborations within EFDI. To comply with EU		No response

[†]Full guarantee covering all or the majority of all deposits in the banking system.

² Political guarantee for all private savings deposits in Germany with banks which are member of a German deposit protection system, subject to review by the government.

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	Date (M/D/Y)	Original Coverage	Political or Legal	Other Formal Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
						Directive.		
Hong Kong, SAR	10/14/08			HK\$100,000	Insurer to introduce HKD500,000 coverage before guarantee ends 12/31/10.	Member of tripartite group (with Singapore and Malaysia) to coordinate strategic transition.		No response
Hungary	10/08	Ft 6 million	Political	€50,000 (05/09)	No plans.	EU Directive compliance.	None reported	Coverage will increase to €100,000 12/31/10 according to EU Directive.
Iceland (Did not participate in 2009 survey)	10/6/08	€20,887	Political ³	€50,000 ⁴	No plans	Will comply with EU/EEA directive	None reported	
Ireland	9/20/08	€20,000	Legal guarantee for 7 banks (9/30/09)	€100,000 (9/20/09)	Guarantee to expire on 09/29/10. DoF is working with 3 largest institutions on restructuring plans. Expect restructuring and new guarantee scheme before the	All transition plans subject to EU approval.	None reported.	No response

³ Full guarantee only for deposits in banks in Iceland.

⁴ A bill has recently been put forward to increase the legal coverage level to €50,000 (permanent change).

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Jurisdiction	Information on Full Guarantee Measures Taken				Transitioning Plans for Full Guarantees		Reforms Introduced	
	Date (M/D/Y)	Original Coverage	Political or Legal	Other Formal Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
					end of 2009.			
Jordan	10/23/08				Guarantee expires 12/31/2009	Planning regional gatherings to discuss transitioning and other deposit insurance issues.	None reported.	Guarantee extended one year through 12/31/10. Planning to raise limited coverage in the future.
Kuwait	11/3/08		Legal ⁵		Indefinite guarantee	Regional cooperation is well established (e.g., Golf Cooperation Council-GEE and regular financial authorities meetings), but no plans to unwind increased deposit protection.	None reported.	No response
Malaysia	10/16/08				Guarantee expires 12/31/10. Strategic plans to unwind to be determined in 2010.	Member of tripartite group, with Hong Kong and Singapore, to coordinate exit strategy.	None reported	None reported
Mongolia	11/25/08				Not available	Not available		No response

⁵ Full guarantee for local banks.

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	Date (M/D/Y)	Original Coverage	Political or Legal	Other Formal Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
Montenegro (Did not participate in 2009 survey)	10/28/2009		Legal		Guarantee effective 10/28/08 through 12/31/09 New draft law will increase coverage to €20,000 through 12/31/10, to €35,000 through 12/31/11, and to €50,000 beginning 1/1/12.	The Deposit Protection Fund is preparing a new deposit protection law according to which valid regulations will be compliant with the European directives		- Full guarantee replaced with permanent increase (€20,000 in effect from 01/01/10.)
Portugal	11/03/08	€25,000	Political ⁶	€100,000	Increased coverage through 12/31/11, depending on EU impact assessment.	Will comply with EU Directive 2009/14/EC.	Maximum payout period reduced from 3 months: -On 11/3/09: First €10,000 payable within 7 days, with remainder amount to be paid within 1 month. -On 7/20/09 modified to repayment within 20 working days beyond the first €10,000, to comply with EU Directive 2009/14/EC.	None reported.

⁶ For Portugal, political guarantee classification based on Ministry of Finance and Public Administration “Initiatives for Strengthening Financial Stability” (October 12, 2008). <http://www.c-eps.org/getdoc/63dfdf04-8225-4c89-a00a-8cfe620f4ba0/2008-10-12-Portuguese-initiatives-to-strenghten-fi.aspx>

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Saudi Arabia (Did not participate in 2009 survey.)	10/17/08	Guarantee						
Singapore	10/16/08	S\$20,000	Political	S\$20,000	Guarantee ends 12/31/10.	Member of tripartite group, with Hong Kong and Malaysia, to coordinate strategic transition.	None reported	- Consulting public and scheme members to implement change in 2011. -Proposed raising coverage from S\$20,000 to S\$50,000.
Slovakia	11/1/08	€20,000	Legal ⁷		Plans to unwind guarantee are awaiting final EU Commission changes.	Will comply with EU Directive 2009/14/EC.	None reported	None reported
Slovenia	10/08/08		Legal ⁸	€22,000	-Guarantee expires on 12/31/2010. -7/09 proposal to increase coverage from €22,000 to €50,000.	Will coordinate any changes with EU.	None reported	- Coverage to which guarantee reverts on 1/1/11 was increased from €22,000 to €50,000 in 12/09. -Pending increase to

⁷ Full guarantee applies to private individuals, non-profit legal entities, and smaller entrepreneurial companies.

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	Date (M/D/Y)	Original Coverage	Political or Legal	Other Formal Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
								€100,000 proposed on 10/2010
Thailand	10/28/08	Guarantee	Legal		Existing guarantee ⁹ extended 2 years to 8/10/11, then THB 50 million limit to 8/10/12, then THB 1 million limit afterward.	None reported, but open to collaboration.	None reported	None reported
United Arab Emirates ¹⁰	Not stated (est. 10/08)				Three year guarantee	None, but would welcome regional cooperation on equal treatment basis.	None	

⁸ Unlimited on insured deposits of citizens and micro and small enterprises.

⁹ The existing (pre-crisis) blanket guarantee in effect since 1997 and scheduled to end 8/10/09. Guarantee was extended by two years due to the financial crisis.

¹⁰ UAE's blanket guarantee is on all bank liabilities (Source: IMF Staff).

Appendix Table 2. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

B. Jurisdictions Adopting a Temporary Increase in Coverage

Based on 2009 Survey							
Jurisdiction	Information on Measures Taken			Transitioning Plans		Reforms Introduced	Updates Based on 2010 Survey
	Date (M/D/Y)	Original Coverage	Current Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
Australia	10/12/08	No DI scheme	A\$1 million	In preparation for the expiry on 12 October 2011, authorities are considering what shape permanent arrangements could take.	No formal transition planning has commenced. Coordination intended with New Zealand. Three possible forums for coordination: a) Trans-Tasman Bang Council, b) Existing Legislative Commitments with New Zealand, and c) EMEAP meetings of Asia Pacific Central Banks.		No formal transition plans, but Council of Financial Regulators (Trans-Tasman Bang) will consider as part of its review. Coordinated with New Zealand and provided early advice of intention to announce exit to G20.
Brazil	3/09	R\$60,000	R\$20 million ¹¹	None, but monitoring liquidity to determine when (limited) guarantee can be lifted.	None.	None reported.	None reported
Netherlands	10/7/08	€20,000	€100,000	Originally €100,000 intended for 1 year, but on 03/10/09 extended until the end of 2010 (after which the EU directive applies)	Will comply with EU Directive 2009/14/EC.	None reported	Increase to €100,000 becomes permanent on 1/1/11 unless EU advises otherwise
New Zealand	10/12/08	No DI scheme	NZ\$1 million	Coverage reduced to NZD 500,000	None but would consider collaborating		Guarantee will be extended from

¹¹ Applicable only to nonnegotiable time deposits with maturities between 6 months and 5 years. Targeted as relief to small and medium sized banks that rely on wholesale deposits for funding.

Appendix Table 2. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

B. Jurisdictions Adopting a Temporary Increase in Coverage

Based on 2009 Survey							
Jurisdiction	Information on Measures Taken			Transitioning Plans		Reforms Introduced	Updates Based on 2010 Survey
	Date (M/D/Y)	Original Coverage	Current Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
				from 10/12/10 to 12/31/11. Assessment underway to consider extending, replacing or eliminating DI scheme.	to avoid risk of deposit flight.		October 2010 to the end of 2011, with a lower coverage limit of NZ\$ 500,000 per depositor per bank and NZ\$ 250,000 per nonbank. (Source: IMF Staff.)
Switzerland	12/20/08	SFr30,000	SFr100,000	Increased coverage ends 12/31/10.	None reported	<ul style="list-style-type: none"> - Raised system-wide DI liabilities from SFr4 million to SFr6 million. - Fundamental review underway to assess lack of funding and of coverage of large banks' deposits. 	<ul style="list-style-type: none"> - Coverage extended by one year through 12/31/11. -Government will propose parliament making increased coverage and related "urgency laws" permanent.
Ukraine	11/5/08	UAH 50,000	UAH 150,000	Temporary increase expires 1/1/11.	None reported	The law has included additional funding sources from the	None reported

Appendix Table 2. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

B. Jurisdictions Adopting a Temporary Increase in Coverage

Based on 2009 Survey							Updates Based on 2010 Survey
Jurisdiction	Information on Measures Taken			Transitioning Plans		Reforms Introduced	
	Date (M/D/Y)	Original Coverage	Current Coverage	Plans to Unwind and/or Dates of Termination	Regional Transition Planning		
						government.	
United States	10/3/08	\$100,000	\$250,000 ¹²	Limit reverts to \$100,000 effective 1/1/14.	Multilateral via US Government.	None reported	Transaction Account Guarantee Program extended another six months through 12/31/10 and subject to an additional one year extension through 12/31/2011.

¹² Also established the Transaction Account Guarantee Program, a voluntary fee-based program effective October 14, 2008, whereby the FDIC provides a temporary unlimited guarantee for deposits in qualifying noninterest-bearing transaction accounts at participating institutions, expiring December 31, 2010, subject to another one year extension at the discretion of the FDIC Board.

Appendix Table 3. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

C. Jurisdictions Adopting a Permanent Increase in Coverage

Based on 2009 Survey							
Jurisdiction	Information on Measures Taken			Plans for Future Measures		Reforms Introduced	Updates Based on 2010 Survey
	Date (M/D/Y)	Original Coverage	New Coverage	Future Plans	Regional Coordination of Future Measures		
Albania	3/30/09	LEK 700,000	LEK 2.5 million	None reported	None reported	Amended law to strengthen the role of deposit insurer paybox function.	None reported
Belgium	11/14/08	€20,000	€100,000 ¹³	Not applicable	Will comply with EU Directive 2009/14/EC and any future amendments to EU legislation.	None reported.	None reported.
Bulgaria	11/18/08	LEV 40,000	LEV 100,000	Not applicable	In compliance with EU Directive 2009/14/EC.	In compliance with Directive 2009/14/EC, pending the report by the EC	None reported.
Croatia	10/15/08	KN 100,000	KN 400,000	None reported	Collaboration where there is significant impact from possible counterparties.	None reported.	None reported.
Cyprus	7/9/09	€20,000	€100,000	Not applicable	Not applicable	- Coverage of all currencies; -Eliminated co-insurance; -Decrease of repayment period from 3 months to 20 working days.	None reported.
Czech Republic	12/15/08	€25,000	€50,000	Not applicable	Will comply with EU Directive 2009/14/EC.	None reported.	Provided that the increase of the limit to

¹³Coverage originally increased to €50,000 on 10/15/2008 in accordance with ECOFIN statement on 10/7/2008.

Appendix Table 3. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

C. Jurisdictions Adopting a Permanent Increase in Coverage

Based on 2009 Survey							Updates Based on 2010 Survey
Jurisdiction	Information on Measures Taken			Plans for Future Measures		Reforms Introduced	
	Date (M/D/Y)	Original Coverage	New Coverage	Future Plans	Regional Coordination of Future Measures		
							100,000 EUR shall apply as of 31 December 2010, the EU directive will come into force in Czech Republic on June 5, 2010,
Estonia	10/9/08	€20,000	€50,000	Not applicable	Will comply with EU Directive 2009/14/EC and coordinate any changes with EU.	None reported.	Initiated adjustments to the Guarantee Fund Act to increase coverage to €100,000 on 1/1/11.
Finland	10/8/08	€25,000	€50,000	Not applicable	Will comply with EU Directive 2009/14/EC.	None reported	No response
Indonesia ¹⁴	10/13/08	Rp100 million	Rp2 billion	Insurer evaluating financial and economic conditions to consider moderating new limit. Considering announcing new coverage with 6 months notice or in mid year 2010.	Multilateral intent/plans expressed for working with Malaysia, Singapore and Thailand.	None reported	No response
Kazakhstan ¹⁵	10/23/08	Tenge 700,000	Tenge 5 million	Reverts to Tenge 1 million on 1/1/12 per law. Insurer plans to recommend permanent Tenge 5 million limit.	Plans to cooperate with Russian DIA.	None reported	-Tenge 5 million coverage in the post-crisis period is under discussion -Plans to coordinate with Russia DIA or

¹⁴ Classified as permanent increase in 2009 report and now reclassified as temporary based on more recent information.

Appendix Table 3. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

C. Jurisdictions Adopting a Permanent Increase in Coverage

Based on 2009 Survey							Updates Based on 2010 Survey
Jurisdiction	Information on Measures Taken			Plans for Future Measures		Reforms Introduced	
	Date (M/D/Y)	Original Coverage	New Coverage	Future Plans	Regional Coordination of Future Measures		
							other jurisdiction no longer scheduled.
Latvia	10/18/08	€20,000	€50,000	None reported	None reported	None reported	Deposit Guarantee System will be amended by 12/31/10 to increase coverage to €100,000 to comply with Directive 2009/14/EC.
Lithuania	10/4/08	€22,000	€100,000	None reported	Will comply with EU Directive 2009/14/EC.	None reported	None reported
Luxembourg	1/1/09		€100,000	None reported	Will comply with EU Directive 2009/14/EC.	None reported	None reported
Malta	10/8/08	€ 20,000	€100,000	None reported	None required	Increased funding through increased ex-ante contributions and additional ex-post funding by way of the pledging of eligible securities by member banks.	No response
Philippines	6/1/09	Peso 250,000	Peso 500,000	Flexibility clause in new law to adjust the coverage level if monetary and financial stability is threatened.	None reported	None reported	None reported
Poland	11/28/08	€22,500	€50,000	None reported	None reported.	- Eliminated 10% co-insurance; - State granted	Will comply with EU Directive 2009/14/EC.

¹⁵ Classified as permanent increase in 2009 report and now reclassified as temporary based on more recent information.

Appendix Table 3. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

C. Jurisdictions Adopting a Permanent Increase in Coverage

Based on 2009 Survey							
Jurisdiction	Information on Measures Taken			Plans for Future Measures		Reforms Introduced	Updates Based on 2010 Survey
	Date (M/D/Y)	Original Coverage	New Coverage	Future Plans	Regional Coordination of Future Measures		
						loans added to the source of financing.	
Romania	10/15/08		€50,000 ¹⁶	None reported	Will comply with EU Directive 2009/14/EC.	None reported	-Banking law amended to compensate potential persons prejudiced during the special administration of a credit institution with Deposit Guarantee Fund. -IMF MOU conditions include: granting seniority to both depositor claims and the DGF and enhancing the funding and accumulation of DGF resources.
Russia	10/1/08	RUB 400,000	RUB 700,000	None reported	None reported	None reported	None reported
Serbia (Did not participate in 2009 survey.)	12/26/08	€3,000	€50,000	None reported	None reported	None reported	
Spain (Did not participate in 2009 survey.)	10/10/08	€20,000	€100,000	Will comply with EU directives	Will coordinate any changes with the EU	None reported	
Sweden	10/6/08	€25,000	€50,000 ¹⁷	None reported	Will coordinate any	None reported	See footnote

¹⁶ €50,000 coverage limit for individuals increased on 10/15/08 and €50,000 coverage limit for legal persons increased on 6/30/09.

Appendix Table 3. Summary of Deposit Insurance Measures Taken and Plans for Unwinding Temporary Deposit Insurance Coverage or Depositor Guarantees (June 2010)

C. Jurisdictions Adopting a Permanent Increase in Coverage

Based on 2009 Survey							Updates Based on 2010 Survey
Jurisdiction	Information on Measures Taken			Plans for Future Measures		Reforms Introduced	
	Date (M/D/Y)	Original Coverage	New Coverage	Future Plans	Regional Coordination of Future Measures		
United Kingdom	10/7/08	£35,000	£50,000 ¹⁸	Not applicable	changes with the EU.	None reported	None reported

¹⁷ Maximum coverage set at SEK 500,000 if the exchange rate of Swedish Krona per euro falls below 10.

¹⁸ No blanket guarantee in place, however, with six bank failures occurring during 2008/09, the UK government provided funds for the UK deposit compensation scheme, the Financial Services Compensation Scheme to extend compensation coverage to all deposits and depositors in the case of one failure and to cover deposits above the compensation limit for eligible depositors in the other five.