



## Media Contacts:

### IADI:

Mr. David Walker

Tel: +41 61 280 99 50

Email: [David.Walker@iadi.org](mailto:David.Walker@iadi.org)

### IFSB:

Mr. Ahmed Barakat

Tel: +6 03 9195 1441

Email: [ahmed.barakat@ifsb.org](mailto:ahmed.barakat@ifsb.org)

# PRESS RELEASE

---

## FOR IMMEDIATE RELEASE: 12 July 2021

### The IADI and IFSB jointly issue new guidance in the form of Core Principles for Effective Islamic Deposit Insurance Systems (CPIDIS)

12 July 2021, Basel, Switzerland and Kuala Lumpur, Malaysia – The International Association of Deposit Insurers (IADI) and the Islamic Financial Services Board (IFSB) issued today new guidance in the form of Core Principles for Effective Islamic Deposit Insurance Systems (CPIDIS). The CPIDIS aim to provide guidance in the form of a set of core principles for the development and implementation of effective Islamic deposit insurance systems (IDIS), taking into consideration the characteristics of Shari’ah compliant contracts and specificities of Islamic banks, while complementing the existing international standards, mainly the IADI *Core Principles for Effective Deposit Insurance Systems (November 2014)*.

Overall, the CPIDIS will promote stability and resilience in the Islamic Financial Service Industry (IFSI) and further integration of Islamic deposit insurance with the international architecture for financial stability.

In addition, the objectives of the CPIDIS are to:

- a. serve as a benchmark international framework to facilitate the development and implementation of an effective IDIS;
- b. enable the existing IDISs to identify best-practice gaps in their current modalities; and
- c. facilitate an independent, third-party or self-assessment of the compliance of an IDIS with CPIDIS.

By building upon their joint efforts, IADI and IFSB are envisaging that jurisdictions will use these CPIDIS and their compliance assessment methodology as a benchmark for assessing the quality of their IDIS and for identifying gaps in their Islamic deposit insurance practices, including measures to address them. This work will continue with a series of pilot tests for the CPIDIS, which will be used to help

develop a joint IADI-IFSB Handbook for the Assessment of Compliance with the CPIDIS to further develop and support this guidance standard going forward.

The softcopy of the CPIDIS is available on both the [IADI](#) and the [IFSB](#) websites in English and Arabic versions.

----- end -----

**NOTE TO EDITOR:**

**About the International Association of Deposit Insurers (IADI)**

*The International Association of Deposit Insurers was formed in May 2002 to enhance the effectiveness of deposit insurance systems by promoting guidance and international cooperation. Members of IADI conduct research and produce guidance for the benefit of those jurisdictions seeking to establish or improve a deposit insurance system. Members also share their knowledge and expertise through participation in international conferences and other forums. IADI currently represents 85 deposit insurers. IADI is a non-profit organization constituted under Swiss Law and is domiciled at the Bank for International Settlements in Basel, Switzerland.*

For more information about the IADI, please visit [www.iadi.org](http://www.iadi.org).

**About the Islamic Financial Services Board (IFSB)**

*The IFSB is an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors. The IFSB also conducts research and coordinates initiatives on industry-related issues, as well as organises roundtables, seminars and conferences for regulators and industry stakeholders. Towards this end, the IFSB works closely with relevant international, regional and national organisations, research/educational institutions and market players.*

*The members of the IFSB comprise regulatory and supervisory authorities, international inter-governmental organisations and market players, professional firms and industry associations.*

For more information about the IFSB, please visit [www.ifsb.org](http://www.ifsb.org).

**IADI-IFSB Memorandum of Understanding**

*On 6 August 2018, IADI and IFSB signed a memorandum of understanding in recognition of a common interest in promoting the sound and stable development of global financial systems, and provided the basis for the process of jointly developing the CPIDIS.*