



ISLAMIC FINANCIAL SERVICES BOARD



Media Contacts:
Ms Yazmin Aziz
Tel: 6 03 9195 1426
Email: yazmin@ifsb.org

Mr David Walker
Tel: +41 61 280 99 50
Email: David.Walker@iadi.org

PRESS RELEASE: 17 August 2018

Global Standard-Setting Bodies IADI and IFSB Partner to Jointly Develop and Implement Core Principles for Effective Islamic Deposit Insurance Systems



Dr. Bello Lawal Danbatta, Secretary-General, Islamic Financial Services Board (IFSB) and Mr. David Walker, Secretary-General, International Association of Deposit Insurers (IADI) signed a MoU today (6 August 2018). Dr. Ronald Rulindo, Chief Specialist, Indonesia Deposit Insurance Corporation (IDIC) as well as Mr. Rafiz Azuan Abdullah, Chief Executive Officer, Malaysia Deposit Insurance Corporation were also present to witness the signing ceremony.

6 August 2018, Kuala Lumpur, Malaysia – The International Association of Deposit Insurers (IADI), represented by Mr. David Walker, Secretary General, and the Islamic Financial Services Board (IFSB), represented by Dr. Bello Lawal Danbatta, Secretary-General, signed a Memorandum of Understanding (MoU) this morning. The MOU is aimed at strengthening the collaboration between the two institutions to jointly develop, and promote, technical standards for the implementation of effective Islamic deposit insurance systems. Under this agreement, areas of cooperation between the IFSB and IADI include:

- **Development of prudential standards for Islamic deposit insurance systems**

Collaborate to jointly develop the IADI-IFSB Core Principles for Islamic Finance Regulation: Effective Islamic Deposit Insurance Systems (CPIFR-IDIS), with the aim of providing guidance on the matter specifically to the members of both organisations, and the deposit insurance sector in general.

- **Promotion for the implementation of prudential standards to facilitate the development of Islamic deposit insurance**
Collaboration under this area can include organising joint workshops and programmes, and providing expertise for joint technical assistance missions. In addition, facilitating coordinated policy dialogues to regulatory and supervisory authorities in the member jurisdictions of the two organisations.
- **Awareness raising through knowledge sharing and organisation of executive programmes, workshops, seminars, etc.**
To promote the exchange of information and knowledge-sharing to benefit from each organisation's experiences and expertise, to the greatest extent permissible. Also, to enhance outreach to member jurisdictions for building awareness through joint organising and hosting of international conferences, seminars and forums on areas of mutual interest.

The IADI-IFSB MoU signing ceremony took place during the inaugural Joint Working Group (JWG) Meeting of the CPIFR – IDIS on 6 August 2018 in Kuala Lumpur, Malaysia. The JWG is guiding the development of CPIFR – IDIS, which aims to serve as an internationally recognised framework to facilitate the development and implementation of effective *Shari'ah*-compliant deposit insurance systems (SCDIS).

The Islamic Core Principles will enable deposit insurance providers to identify gaps in their existing deposit insurance practices, while also setting an international standard-setting benchmark to facilitate independent (or third-party) assessment on the effectiveness of SCDIS. The joint standard will complement the revised Core Principles by the IADI for the conventional deposit insurance systems, upon which they will be based.

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NOTE TO EDITORS:

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.

About IADI

The International Association of Deposit Insurers (IADI) 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 83 deposit insurers. IADI is a non-profit organisation constituted under Swiss Law and is domiciled at the Bank for International Settlements in Basel, Switzerland.

For more information, please visit <https://www.iadi.org/en/>.