

9 July 2019

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**International Association of Deposit Insurers**

**Press Release –**

**The International Association of Deposit Insurers held an International Conference  
In Saint Petersburg, Russia**

The State Corporation Deposit Insurance Agency of Russia (DIA) and the International Association of Deposit Insurers' (IADI) Asia-Pacific Regional Committee (APRC) held an International Conference on “Deposit Insurance and Bank Liquidation: Standards, Best Practices and Innovations” on 27 June 2019. The conference took place in Saint Petersburg, Russia as part of the IADI APRC 17<sup>th</sup> Annual Meeting. The Conference was attended by 124 participants from 37 jurisdictions.

The DIA General Director Mr Yury Isaev welcomed the participants to Saint Petersburg and expressed his sincere gratitude to the Bank of Russia for their support of the conference. He stressed that the experience and ideas shared at the conference will help to improve the APRC Members' deposit protection arrangements as well as their bank liquidation and asset marketing practices. Mr Isaev noted that in order to meet the new global requirements, IADI and APRC Members should work together to promote the full implementation of the [IADI Core Principles for Effective Deposit Insurance Systems](#) (Core Principles) in all IADI Member jurisdictions.

Mr Vasily Pozdyshev, the Deputy Governor of the Bank of Russia and Chairman of the DIA's Strategy Committee, in his keynote speech described the pros and cons of resolution and liquidation approaches. In Russia, a vast practical experience of both methods has been accumulated over the recent years. For instance, 315 banks have been liquidated with the DIA as liquidator since 2006. And, presently 363 banks are in the process of liquidation. On a separate note, Mr Pozdyshev stressed that the deposit insurer should keep up with financial technology (FinTech) developments. If the majority of depositors deal with their bank through a mobile device, the deposit insurer should also provide remote mobile services. The Deputy Governor concluded by stating he always finds IADI conferences to be of a high professional interest, as in addition to theory, “hands-on” practical insights are shared.

Mr Katsunori Mikuniya, IADI President and Governor of the Deposit Insurance Corporation of Japan, delivered opening remarks stating that every financial system needs to adapt to reality in order to be resilient. It is to be acknowledged that the excessive risk-taking from the short-term perspective through exploiting regulatory loopholes will never disappear. Also, regulations which are too tight bring about side effects. President Mikuniya quoted an Asian saying that “too much is as bad as too little.” We should not be complacent and believe we are able to subdue excessive risk-taking completely. Not only improving systems but also adequate risk control by financial institutions and sensitive supervision by supervisors are always important. In connection with these points, the President referenced the Financial Stability Board's (FSB) Peer Review Report titled “[Thematic Review on Bank Resolution Planning](#)”, published earlier that year.

A keynote speech “IADI Core Principles: Reimbursement of Insured Depositors – Standards, Data and New Developments” was made by Mr David Walker, IADI Secretary General. His main message was that prompt reimbursement of insured depositors is the core of deposit insurance. IADI's 2018 Annual Survey data reveals that only around half of the deposit insurance agencies (DIAs) are able to initiate a pay out within 7 working days. Secretary General Walker then described the key challenges for making rapid reimbursements. Those include: the legal framework, early access to depositor information, IT, public awareness and expectations, safety-net coordination, cross-border challenges, and funding. Moreover, in view of the rapid development of FinTech, going forward even the 7-day payout target may turn out to be not fast enough.

Another keynote address was delivered by Ms Eva Hüpkes, Acting Head, Regulatory and Supervisory Policies, Financial Stability Board (FSB). Financial crises are costly events for society. A lesson from the past crisis was that authorities and firms need to be better prepared. Over the past ten years and since the establishment of the FSB, we have come a long way in improving the resolvability of banks in strengthening authorities' powers and tools to resolve failing firms in a manner that maintains the continuity of critical functions and does not expose taxpayers to the risk of loss. However, despite the very substantial progress, legal, technical and operational challenges remain and implementation across jurisdictions is not uniform. Resolvability is a continuous process – “a journey not a destination” – and continued efforts are needed to achieve and maintain crisis preparedness and to identify and address any remaining impediments to resolvability.

Conference attendees were privileged to receive presentations from a wide range of experts from Chinese Taipei, Croatia, Germany, Indonesia, Japan, Kenya, Korea, the Philippines, Russia, Switzerland (Financial Stability Institute), the United Kingdom and the United States. In addition, there were three panels held on: “Deposit Insurance: How to Ensure 7-day Payout”, “Bank Liquidation by Deposit Insurers: Benefits and Challenges”, and “Recoveries from Assets of Failed Banks: How to Liquidate Such Assets?”

The APRC 17<sup>th</sup> Annual Meeting was convened by Mr William Su, APRC Chairperson and President of the Central Deposit Insurance Corporation (Chinese Taipei), on 26 June 2019. Both APRC Technical Committees (on Training and Assistance and on Research) assembled as well. The Council of Heads of Deposit Insurance Agencies of the Eurasia Economic Union member countries (Armenia, Belarus, Kazakhstan, Kyrgyz Republic and Russia) used the occasion of the 17<sup>th</sup> Annual Meeting to hold their first formal meeting together.

As part of the Annual Meeting events, a Technical Assistance Workshop was conducted on 25 June 2019. The focus of the workshop was on ensuring the deposit insurer's compliance with Core Principles 2: *Mandate and powers* and 8: *Coverage*. Presentations and case studies were made by speakers from Chinese Taipei, the Czech Republic, IADI Secretariat, Indonesia, Kazakhstan, Kenya, Malaysia, Norway, and the United Kingdom. To promote productive interaction among expert presenters and participants, the workshop program included breakout group discussions and reporting at the end of each session.

Finally, on the day of the conference IADI announced the acceptance its 91<sup>st</sup> Member – Fundo de Garantia de Depósitos from Angola.

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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 countries 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 91 deposit insurers. IADI is a non-profit organisation constituted under Swiss Law and is domiciled at the Bank for International Settlements in Basel, Switzerland.

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