

A large, abstract graphic consisting of several overlapping circular and semi-circular shapes in various shades of blue, ranging from a deep navy blue to a light sky blue. This graphic occupies the middle section of the page, extending from the left edge to the right edge.

Overview of the Consultation

2025 IADI Core Principles Review

This report has been prepared by the IADI Secretariat.

This publication is available on the IADI website (www.iadi.org).

© International Association of Deposit Insurers 2025. All rights reserved.

Brief excerpts may be reproduced or translated provided the source is stated. Any other use, including commercial reproduction, requires prior written permission from IADI. Requests for permission to reproduce or translate this publication should be addressed to IADI.

.

Introduction

This report presents the outcomes of the public consultation and pilot testing on the draft revisions to the IADI Core Principles for Effective Deposit Insurance Systems (Core Principles), which have been updated to reflect the evolving financial landscape.

The consultation sought feedback on several key questions, including whether the revised Core Principles:

- Promote a holistic view of the financial safety net and effective interaction among deposit insurance, resolution, and supervision, while respecting diverse institutional structures across jurisdictions.
- Provide sufficient clarity on the interaction between deposit insurance and resolution to achieve depositor protection and financial stability.
- Are sufficiently forward-looking and aspirational to address emerging risks, trends, and challenges in the financial sector, while remaining practical for implementation.
- Ensure adaptability to technological advancements in deposit-taking and protection systems, while maintaining a technology-neutral approach.

As part of the consultation process, the IADI Secretariat organised a series of regional information and feedback sessions with stakeholders, held virtually via Webex, between May and June 2025. These sessions engaged regional committees across the Middle East and North Africa, Eurasia, the Caribbean, North America, Latin America, and Europe. Additionally, a global stakeholders webinar was conducted on 30 June 2025 to present the revised Core Principles and gather input from a broader audience.

The review process also included a targeted pilot testing to assess the clarity, applicability, and effectiveness of proposed revisions.

This report summarises the feedback received during the consultation process and provides an overview of key themes that emerged and informed the final revisions to the Core Principles.

Public Consultation

The public consultation took place over a two-month period, from 12 May to 14 July 2025. Feedback was received from IADI Members (14), academics and consultants (6), representatives from financial safety-net participants (5), industry representatives (4), pilot test institutions (3) and comments from members of the Financial Stability Board's Resolution Steering Group (FSB ReSG) (9). In total, 220 individual comments were received and reviewed.

Most comments were received by IADI Members (44%). Members from the Financial Stability Board's Resolution Steering Group accounted for 18% of comments received. Financial safety-net participants, academics, the pilot test institutions and team, and industry each contributed with about 10% of comments made. Given their prior involvement in the process of revising the Core Principles, the International Monetary Fund and the World Bank did not send additional comments and expressed support for the revised version of the Core Principles.

Pilot Testing

The public consultation on the revised Core Principles was undertaken to evaluate their clarity, relevance, and applicability across a wide range of jurisdictions. The primary aim was to ensure that the revised Core Principles are well-suited to the diverse mandates, roles, and operational frameworks of deposit insurance systems globally.

To ensure a representative and inclusive assessment, the consultation engaged three member institutions, each reflecting distinct mandates, regional contexts, and regulatory environments:

- **Fundo Garantidor de Créditos (FGC), Brazil:** Representing the Americas and the G20 economies, FGC operates under a Paybox Plus mandate.
- **Kenya Deposit Insurance Corporation (KDIC), Kenya:** As a Risk Minimiser, KDIC provided insights from the African region, reflecting its unique challenges and opportunities.
- **Philippine Deposit Insurance Corporation (PDIC), Philippines:** Operating under a Paybox Plus mandate, PDIC offered perspectives from the Asian region.

The pilot testing adopted a structured approach to ensure a thorough evaluation of the revised Core Principles. Participating institutions completed detailed questionnaires on their deposit insurance systems, including their powers, functions, and alignment with the revised Core Principles. Additionally, members were required to fill out comprehensive checklists that documented the legal, regulatory, policy, and operational frameworks underpinning their DIS. The process also included a series of interactive onsite workshops held in Brazil, Kenya, and the Philippines. These workshops facilitated discussions, the exchange of experiences, and the collection of both qualitative and quantitative feedback, which helped identify practical challenges and opportunities for improvement. To further support the evaluation, a detailed Assessors Guide was developed. This guide provided a structured framework to enable assessors to critically analyse the questionnaire responses and evaluate alignment with the Core Principles.

Feedback from Consultation and Pilot Testing

Respondents to the consultations and participants in the pilot testing expressed overall support for the revised version of the Core Principles, notably the holistic approach with a focus on effective interaction with resolution frameworks, aspiration in addressing emerging challenges, and adaptability to future technological advancements. Respondents confirmed that revisions generally align with the review objectives.

Feedback focused on six key areas: clearer definitions of terms to avoid misinterpretation, particularly by IADI members and pilot testers; greater clarity on governance roles (CP 3); guidance on extraordinary funding arrangements (CP 9); expectations for reimbursement speed (CP 15); confidentiality in recovery and resolution planning (CP 13); and the use of deposit insurance funds in non-reimbursement resolutions (CP 16 and CP 17).

Key Changes in Final version

A number of changes were made to the consultative version of the revised Core Principles, reflecting feedback from stakeholders during the public consultation and pilot testing. However, some suggestions were not incorporated, such as proposals to reorder the Core Principles, address creditor hierarchy and depositor preference, include climate-related financial risks, and advocate for tax exemptions for deposit insurers. Other suggestions from the consultation and pilot testing will be considered during the update of the assessment methodology (Core Principles Handbook).

The following provides a summary of the key changes to the Core Principles consultation document that are included in the final version:

- **Clarification of Terms.** The definition of Insured Deposit-Taking Institution (IDTI) was revised to address ambiguities around whether licensing, deposit insurer membership, or other factors determine an IDTI's status. The updated definition specifies that an IDTI is an entity licensed or authorised to accept deposits eligible for insurance under a jurisdiction's legal framework and is subject to sound prudential regulation, supervision, and an effective resolution regime. The terms "law" and "regulation" were clarified for consistency and to avoid misinterpretation across jurisdictions. This revision impacts several Core Principles, including those on public policy objectives, mandates and powers, governance, legal protection, membership, coverage, funding, and reimbursement. Similarly, "resolution" was clarified to refer specifically to IDTIs that are no longer viable or likely to become so, aligning with existing standards.
- **Public Policy Objectives (CP 1)** The requirement for internal and external reviews of the deposit insurance system's effectiveness was replaced with a general requirement for reviews to safeguard accountability to the public.
- **Governance (CP 3)** The revised Core Principles clarified that deposit insurers' governing bodies and management must act in the best interest of the deposit insurer and the deposit insurance system.

- **Business Continuity Management (CP 4)** CP 4 now explicitly requires deposit insurers to coordinate and communicate with other financial safety-net participants to ensure the continuity of critical operations during disruptions.
- **Membership (CP 7).** Revisions make clear that only institutions that are members of a deposit insurer can accept deposits eligible for insurance.
- **Coverage (CP 8).** The updated Core Principles require that the level and scope of coverage be clearly defined in law or regulation. Reviews of “insured deposits” and coverage scope are to be undertaken, particularly during significant financial or economic changes.
- **Crisis Preparedness and Management (CP 11)** Revisions emphasise that deposit insurers should have plans, policies, and procedures to respond to IDTI failures and clear frameworks for communication and coordination with other financial safety-net participants.
- **Early Detection and Intervention (CP 13 and Introduction)** To address confidentiality concerns, CP 13 makes clear that any recovery and resolution planning information shared between deposit insurers and financial safety-net participants be subject to confidentiality safeguards.
- **Resolution and Reimbursement (CP 14 and CP 15)** CP 14 makes clear that there should be a clear legal trigger for reimbursement events and emphasises minimising disruptions in access to insured deposits. It also introduces operational requirements for the deposit insurer regarding its capability to reimburse most insured depositors with seven working days of the reimbursement being triggered.
- **Financial Safety-Net Cooperation (CP 17)** Enhancements clarified cooperation, coordination, and information-sharing requirements between deposit insurers and resolution authorities. These include the determination that the legal framework conditions governing the use of deposit insurer funds in non-reimbursement resolutions are complied with.

