

FGDR - IADI ERC INTERNATIONAL CONFERENCE

DIVERSITY AND HARMONIZATION OF DEPOSIT INSURANCE

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DEPOSIT INSURANCE STANDARDS

How to consider a variety of DIS models, mandates and local particularities?

MR JAN NOLTE
SENIOR FINANCIAL SECTOR SPECIALIST

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MR JAN NOLTE SENIOR FINANCIAL SECTOR SPECIALIST

2014 – 2016

*Senior Financial Sector Specialist
Finance & Markets GP, The World Bank Group*

2008 – 2014

*Director
Deposit Protection Fund, Germany*

Miscellaneous :

IMF-WB FSAP: IADI Core Principles assessments
World Bank Technical Assistance in the field of deposit insurance and bank resolution

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An international standard for deposit insurers

« International standards are standards developed by international standards organizations. International standards are available for consideration and use worldwide. »

Wikipedia, May 2016

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Use of IADI Core Principles

- A benchmark in IMF - WB FSAP;
- A guideline for implementing, reviewing or reforming a deposit insurance system (IMF - WB technical assistance); and
- Use in IADI self-assessments (IADI SATAP).

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Deposit Insurance Systems worldwide

Mandates can range from ...

- « Pay box » mandate
- « Loss minimiser » mandate
- « Pay box plus » mandate
- « Risk minimiser » mandate

Institutional set-up can range from ...

- Unit within the central bank
- Seperate legal entity

Capacity and experience can range from ...

- Less than a year
- More than 80 years

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IADI Core Principles

« The Core Principles are ... designed to be adaptable to a broad range of jurisdictional circumstances, settings and structures. »

IADI Core Principles, November 2014

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Financial Sector Assessment Program

IADI CPs assessments were conducted in the following countries:

- Malaysia
- Uruguay
- Poland
- Albania
- Moldova
- Bosnia and Herzegovina
- (Bulgaria)
- Montenegro
- Mexico (2016)
- [And as part of Technical Note on « Crisis Preparedness and Management »]

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Lessons learnt from FSAP

Most IADI CPs are working well for a variety of mandates and models:

- Public Policy Objectives
- Relationships within the safety-net
- Membership
- Coverage
- Ex-ante funding
- Public awareness
- Legal Protection
- Parties at fault
- Recoveries

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Lessons learnt from FSAP

But some CPs can be found more challenging:

- 7 day pay-out timeframe
- Operational independence
- Contingency planning
- Recovery and Resolution
- Powers (e.g. access to depositor records)
- Ability to reimburse depositors

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Conclusions

- The DIS operational environment as well as the maturity of the system pose challenges when assessing the IADI CPs.
- The specific mandate or model are less challenging as the CPs allow for sufficient flexibility.
- In FSAPs a more stringent approach is needed to ensure comparability of assessments.
- Technical assistance can (to a certain degree!) be tailored to the specific needs of the specific DIS.

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