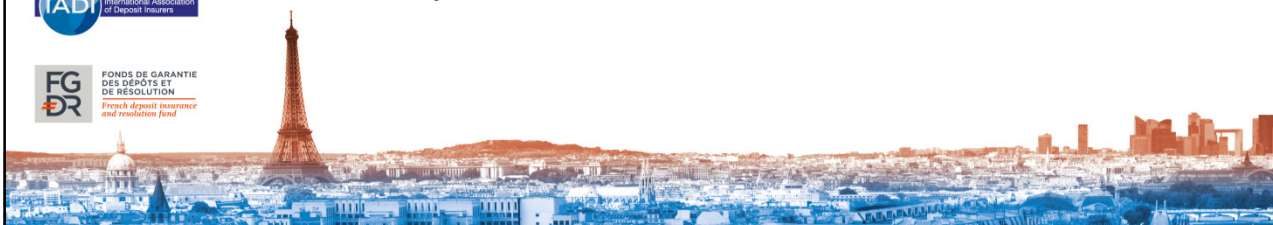


FGDR - IADI ERC INTERNATIONAL CONFERENCE

DIVERSITY AND HARMONIZATION OF DEPOSIT INSURANCE

26 May 2016 • Paris, France



The findings, interpretations, and conclusions expressed in
this presentation are entirely those of the speaker.

They do not represent the views of the institutions, their
affiliated organizations or governments they represent.



COMPLIANCE WITH THE CORE PRINCIPLES FOR EFFECTIVE DEPOSIT INSURANCE SYSTEMS

The assessment experience in Uruguay.
FSAP Mission September 2012.

MRS ADELA HOUNIE

48TH IADI EXECUTIVE COUNCIL AND STANDING COMMITTEES MEETINGS - INTERNATIONAL IADI - ERC CONFERENCE • 23-26 MAY 2016 • PARIS



Corporación de
Protección del
Ahorro Bancario
(COPAB) Uruguay



MRS ADELA HOUNIE PRESIDENT AND CEO

2009– 2016

President and CEO

Corporación de Protección del Ahorro Bancario (COPAB) (Deposit Insurance Agency - Uruguay)

2005 – 2009

Advisor of the Board of Directors

Banco Central del Uruguay (Central Bank of Uruguay)

Miscellaneous :

She holds a B.A. and a M.A. from the University of Paris I Panthéon –Sorbonne and is also Professor of Economic Development at the Universidad de la República.

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Outline

- Background
- Assessment process
 - Decision
 - Preparation
 - Launching and Assessment
 - Conclusions
- Next steps
- Assessment of the experience



BACKGROUND OF DIS IN URUGUAY

2002 Systemic financial crisis, all private locally-owned banks failed

2005 DI Fund becomes operational, at first in Central Bank, since 2009 independent



Decision

- 2012 The Uruguayan Government decides to undergo an FSAP (previous in 2006)
- COPAB (non-governmental DIA) is invited to undergo an assessment following IADI's CPs
- COPAB sees an opportunity for benchmarking the Uruguayan DIS and making improvements



Preparation

- Self-assessment (3 month-process)
- Top management team + OTA consultant
- Conclusions: 75% C (9) or LC (3), 4 MNC, 2 NA
- Main problems: resolution processes and public awareness
- Not surprising: similar results as previous analysis made by COPAB staff

Launching and Assessment

- High involvement of FSN participants in launching
- All legal and regulatory framework documentation sent and analysed in advance
- Expert leadership of FSAP team by Claire McGuire
- COPAB preferred sincerity versus good grades
- Conclusions: 77% C (10) or LC (3), 3 MNC, 1 NC, 1 NA
- Main problems: resolution processes, legal protection, cross-border issues, public awareness

Conclusions FSAP assessment

- Not surprising: 9 coincidences with self-assessment
- Not expected: C in Relationships with FSN (vs MNC)
- Not expected: NC in Effective Resolution Processes (vs MNC)
- More emphasis on resolution problems (Key Attributes)
- Clear recommendations: Action plan proposed on 7 CPs

Next steps

Legislative reforms and possible future assessments

- Key recommendations are incorporated in bill of law agreed with all the other FSN participants in the CEF (Ministry of Finance, Central Bank, Superintendency of Financial Services)
- Future assessment with updated CPs
- Future assessment with FSB Key Attributes for Effective Resolution

Assessment of the experience

Key elements of a positive experience

- Uruguayan DIS design was already close to CPs
- Expertise of FSAP team
- High involvement of FSN participants
- DIA previous self assessment
- DIA seeking opportunities for improvement