



IADI Newsletter Vol 7 Issue 1

25 August 2008

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**Register now for the IADI 7<sup>th</sup> Annual Conference in Washington DC**

**Register by 31 August to secure the Early Registration Fee!** Please CLICK on the link below to view the IADI 7<sup>th</sup> Annual Conference and Annual General Meeting Website and to Register Online for the event! <http://www.fdic.gov/iadi/2008annualconference/index.html>

**REGISTER NOW!**

IADI's 7<sup>th</sup> ANNUAL CONFERENCE AND ANNUAL GENERAL MEETING:  
THE ROLE OF DEPOSIT INSURANCE IN PROMOTING FINANCIAL STABILITY AND ECONOMIC INCLUSION  
Hosted by the FDIC in Arlington, VA / Washington, DC USA

**ANNUAL CONFERENCE:**  
Wednesday, 29 October and Thursday, 30 October, 2008

**ANNUAL GENERAL MEETING:**  
Friday, 31 October, 2008

 **FINANCIAL STABILITY | ECONOMIC INCLUSION**  
THE 2008 IADI CONFERENCE

**VISIT THE CONFERENCE WEBSITE AND REGISTER ONLINE:**  
[www.fdic.gov/iadi/2008annualconference/index.html](http://www.fdic.gov/iadi/2008annualconference/index.html)  
For inquiries, kindly contact [iadiconference@fdic.gov](mailto:iadiconference@fdic.gov)

 International Association of Deposit Insurers

7<sup>th</sup> Annual Conference hosted by the Federal Deposit Insurance Corporation 

The **International Association of Deposit Insurers (IADI) 7th Annual Conference and Annual General Meeting** will be held on 29-31 October 2008. The events will be hosted by the **Federal Deposit Insurance Corporation** at the FDIC Headquarter Facilities in Arlington, VA and Washington, DC, United States of America.

The theme for the two-day conference is "The Role of Deposit Insurance in Promoting Financial Stability and Economic Inclusion." [Please click here for the Program Schedule](#)

#### **Event Host**

As a founding member of IADI in 2002, the Federal Deposit Insurance Corporation is pleased to serve as the host for IADI's 7th Annual Conference and Annual General Meeting. This year is the 75th Anniversary Celebration of the creation of the FDIC, the world's first system of national deposit insurance. The FDIC looks forward to the opportunity to celebrate this milestone with its international counterparts.

**Conference Attendees:** The IADI Annual Conference provides a unique forum for IADI members, IADI Associates, IADI Observers, IADI Partners, other deposit insurers, financial sector leaders, global decision makers and additional interested parties to exchange ideas, perspectives and experiences regarding international deposit insurance issues and concerns. Presenters and participants are expected from over 50 countries and include representation from the following organizations: World Bank, Bank for International Settlements, International Monetary Fund, and the Consultative Group to Assist the Poor.

**Featured Speakers:** The IADI 7th Annual Conference will feature presentations by internationally recognized experts and deposit insurance practitioners, regulators, policymakers and academics.

#### **Day One: Focus on Financial Stability**

Recent global financial turmoil has led to increased recognition of the importance of establishing effective deposit insurance systems to maintain financial stability and public confidence in the financial system, especially during times of economic uncertainty. Day One will include sessions and prominent featured speakers focused on current financial market challenges and implications for financial institutions, the role of deposit insurers in financial crises, past and present, and new research and guidance for deposit insurers, including the recently issued IADI Core Principles for Effective Deposit Insurance Systems.

#### **Day Two: Focus on Economic Inclusion**

Recognition continues to grow of the importance of building inclusive financial sectors to ensure access to financial services by the world's poor and low-income individuals and the role that the financial safety net, including deposit insurers, can play in promoting economic inclusion. Day Two will include sessions and prominent featured speakers focused on the current state of economic inclusion from a global perspective, recent research on economic inclusion around the world, innovative ways of promoting economic inclusion and financial literacy, and the role of deposit insurance in promoting economic inclusion.

#### **Ask a Question**

**If you have questions, or need more information regarding registration for the conference, please e-mail [IADIREGISTRATION@FDIC.GOV](mailto:IADIREGISTRATION@FDIC.GOV)**

## Reminder to IADI Members on the Opportunity to Sponsor an IADI Secondment

A message was recently circulated to IADI Members on:

- the opportunity to sponsor an IADI Secondment
- the Procedural Requisites for IADI Member Organisation to second Staff to the IADI Secretariat
- an announcement for a Secondment Opportunity for a Senior Policy Analyst at the IADI Secretariat

To [view the message of Secretary General Don Inscoc, circulated on 14 July and its attachments](#), please login to the Participants Only part of the IADI Site.

Applications are due by **31 August** – please contact either Don Inscoc [don.inscoco@iadi.org](mailto:don.inscoco@iadi.org) or Kim White [kim.white@iadi.org](mailto:kim.white@iadi.org) for further details

## IADI releases Draft Guidance Paper on Funding of Deposit Insurance Systems for Public Consultation

The IADI Research and Guidance Committee is pleased to announce the release of a [Draft Guidance Paper on Funding of Deposit Insurance Systems for Public Consultation](#).

**Please provide your comments by 30 September 2008** to the IADI Secretariat, Mr Taewook Chang, IADI Senior Policy Analyst at [Taewook.Chang@iadi.org](mailto:Taewook.Chang@iadi.org)

Link to [Section Publications and Research](#)

Link to [Draft Guidance Papers](#)

## International Conferences on *Islamic Deposit Insurance* and *Bank Guarantee Fund Poland Deposit Guarantee Schemes*



Hosted by:  Perbadanan Insurans Deposit Malaysia  
Malaysia Deposit Insurance Corporation

[Click Here for Details](#)

**IADI Member Malaysia Deposit Insurance Corporation hosted a seminar on islamic deposit insurance “Islamic Finance & Islamic Deposit Insurance at a Glance” in Kuala Lumpur, Malaysia on 18 and 19 August 2008.**

The Seminar aimed to share knowledge and understanding of Islamic finance and deposit insurance with member countries of International Association of Deposit Insurers (“IADI”) and its non-members and to review current and new developments in Islamic finance and deposit insurance in Asia and globally.

The topics discussed were:

- Islamic banking in Malaysia;
- The Role of Islamic Financial Services Board (“IFSB”) in the global Islamic finance Industry;
- Human capital development in Islamic finance;
- Malaysia International Islamic Financial Centre;
- Islamic deposit insurance;
- Islamic finance and Islamic deposit insurance developments and challenges in selected countries;
- Assessing the risk profiles of Islamic banks; and
- Shariah contracts for Islamic deposit insurance.

To view the program of the seminar, please click [here](#).

Please visit the [IADI Past Events](#) section to view materials of more IADI events.

## PROGRAM

- **Member Profile of the MDIC**

[www.pidm.gov.my](http://www.pidm.gov.my)



Perbadanan Insurans Deposit Malaysia  
Malaysia Deposit Insurance Corporation

The **Malaysia Deposit Insurance Corporation (MDIC)**, or more widely known in Malaysia as **Perbadanan Insurans Deposit Malaysia (PIDM)**, is a statutory body established on 15 August 2005 under the Malaysia Deposit Insurance Corporation Act 2005 (MDIC Act).

MDIC administers the deposit insurance system in Malaysia which was launched on 1 September 2005 as an initiative of Malaysia’s Financial Sector Master Plan to enhance depositor protection in Malaysia. As the national deposit insurer of Malaysia, MDIC’s statutory mandates are to:

- (a) administer a deposit insurance system;
- (b) provide insurance against the loss of part or all deposits of a member institution;
- (c) provide incentives for sound risk management in the financial system; and
- (d) promote or contribute to the stability of the financial system.

MDIC is an active member of the International Association of Deposit Insurers (IADI) and an Associate Member of the Islamic Financial Services Board.

## Governance

MDIC reports to Parliament of Malaysia through the Minister of Finance and it is governed by a seven-member non-executive Board of Directors of which five Directors, including the Chairman, are appointed by the Minister of Finance and two Directors are *ex-officio* Directors. Members of MDIC's Board of Directors are:

- Tan Sri Dato' Abdul Aziz bin Haji Taha (Chairman of the Board)
- Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz (Governor of the Central Bank of Malaysia, *ex-officio*)
- Tan Sri Dr. Wan Abdul Aziz Bin Wan Abdullah (Secretary General of the Ministry of Finance, *ex-officio*)
- Tan Sri Dato' Seri Haji Mohd Azmi bin Dato' Haji Kamaruddin
- Datuk Dr. Abdul Samad bin Haji Alias
- Tan Sri Dr. Sulaiman bin Mahbob
- Mr. Michael Wong Kuan Lee

Mr. Jean Pierre Sabourin, the Chief Executive Officer of MDIC, is appointed by the Minister of Finance, on the recommendation of the Board of Directors. He is responsible for the day-to-day administration of the business and affairs of the Corporation.

## Member Institutions

Member institutions of MDIC are all the commercial banks licensed under the Banking and Financial Institutions Act 1989 and all the Islamic banks licensed under the Islamic Banking Act 1983, including foreign banks incorporated and operating in Malaysia. Membership is **mandatory** as provided under the MDIC Act. As of August 2008, MDIC has 35 member institutions, comprising 22 commercial banks and 13 Islamic banks.

## Coverage

MDIC provides coverage on conventional and Islamic deposits placed with its member institutions. MDIC insures all depositors up to Ringgit Malaysia 60,000 (principal and interest, or in the case of Islamic deposits, principal and return) per depositor per member institution.

Insurable deposits include all deposit products denominated in Ringgit Malaysia including current, savings and fixed deposits as well as certified cheques, bank drafts and other similar payment instructions made against a deposit account. Deposits not covered by MDIC are deposits not payable in Malaysia, deposits not denominated in Ringgit Malaysia, money market deposits, negotiable instruments of deposit (NIDs), other bearer deposits and repurchase agreements.

## Funding

MDIC manages two deposit insurance funds, namely, an Islamic Deposit Insurance Fund (from premiums collected on Islamic deposits) and a Conventional Deposit Insurance Fund (from premiums collected on conventional deposits). To ensure compliance with Shariah principles, the Islamic Deposit Insurance Fund is managed separately and invested in accordance the provisions in the MDIC Act.



**BANK GUARANTEE FUND**

**Our IADI Member Bank Guarantee Fund (Poland) will host an International Conference: "Deposit Guarantee Schemes facing integration of financial markets" on 15-16 September 2008, Warsaw, Poland**

[Register on the Conference website](#)

## **PROGRAM**

**15 September 2008 (Monday)**

**Session I (9.00-13.00)**

**1. Influence of financial markets' turbulence on the deposits' safety and on the DIS operations**

- Welcoming remarks – Mr. Sławomir Skrzypek, President of the National Bank of Poland (tbc)
- Welcoming remarks – Prof. Jan V. Rostowski, Minister of Finance (tbc)
- Disturbance in the financial markets – influence and effects in the German banking system - Mr. Gerhard Hofmann, Member of the Board, Association of German Cooperative Banks
- FDIC's preparations for tough times – Mr. Paul Kupiec, Director of FDIC's Center of Financial Research, Federal Deposit Insurance Corporation

Coffee break

- Credibility and risk in modern credit institutions in the context of the safety net arrangements - Prof. Alfred Janc, the Poznań University of Economics, Member of the BGF Council, Advisor to the President of the National Bank of Poland
- Challenges for financial stability policy facing integration of financial markets in the EU - Prof. Leszek Pawłowicz, University of Gdańsk, Director of the Gdańsk Academy of Banking, President of the Warsaw Stock Exchange Council
- Discussion

Lunch

**Session II (15.00-17.00)**

**2. Principles of deposit protection for credit unions in EU**

- Crisis in Czech credit unions - institutional solution – Mr. Lukas Hampl, former deputy head of former Credit Unions Supervisor, Association of Credit Union Banks
- Deposit guarantees integration - Lithuanian case – Mr. Raimundas Žilinskas, Director of the State Undertaking Deposit and Investment Insurance

Coffee break

- Benefits of complex guarantee model – Britain's experience – Mr. Alex Kuczynski, General Counsel, Financial Services Compensation Scheme
- Discussion

Dinner

**16 September 2008 (Tuesday)****Session III (9.00-12.00)**

3. Integrated model of financial instruments insurance system - integration of the deposit and investor protection

- Deposit guarantee scheme and investor compensation scheme – together or separate - Mr. Artur K. Kluczny, the Vice-Chairperson, the Financial Supervision Authority
- Does investor protection benefits from experience of deposit insurance? Sweden case – Mrs. Carin Silfverhielm Bauer, Economic Advisor, Deposit Guarantee and Investor Compensation Schemes, The Swedish National Debt Office
- Deposit Insurance and Deposit Protection specifics joint management experience – Mr. Herman Debremaeker, Mr. Herman Debremeaker, Secretary General, Fonds de Protection des Dépôts et des Instruments Financiers

Coffee break

- Project of joining DG and IP – Slovakian case - Mr. Rudolf Šujan, Chairman of the Presidium, Fond Ochrany Vkladov
- Investors protection schemes across the EU – separate or together with the deposit insurance systems - Mr. Dirk Cupei, Vice Chairman, European Forum of Deposit Insurers, Rechtsanwalt, Bundesverband deutscher Banken e.V.
- Discussion  
Lunch  
Social event

**For more information please contact:**Organization Committee

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**Member's News**

- **CDIC (Taiwan) announces Appointment of Chairman of the Board Fred S.C. Chen**

**Central Deposit Insurance Corporation (Taiwan)** announced that Mr. Fred S. C. Chen was appointed as the Chairman of the Board on July 10, 2008

Mr. Fred S.C. Chen has succeeded the former Chairman, Mr. Teng-Cheng Liu, to be the Chairman of the Board since July 10, 2008.

Mr. Fred S.C. Chen holds a master's degree in public finance from National Chengchi University (Taiwan) and has served in various capacities at the Central Bank of China (Taiwan) including as a Division Chief in the Economic Research Department and as the Director General of the Financial Inspection Department. He has also concurrently served as a lecturer and associate professor at Universities.

IADI members welcome Mr. Chen and look forward to working with him.

- **IADI Welcomes new Partner: United States Department of the Treasury, International Affairs - Office of Technical Assistance**

The Executive Council is pleased to inform you that it recently approved an application from of **the United States Department of the Treasury, International Affairs - Office of Technical Assistance** to become a Partner of IADI.

Our contact person at the United States Department of the Treasury International Affairs - Office of Technical Assistance is **Paul A. Leonovich** Associate Director (Acting) for Banking & Financial Services of the United States Department of the Treasury International Affairs - Office of Technical Assistance  
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**Please join the Secretariat in extending a warm welcome to our new Partner, and we look forward to a fruitful cooperation**

*This newsletter was issued on 25 August 2008. To submit articles or items for consideration for a future*

*issue, please send them to [kim.white@iadi.org](mailto:kim.white@iadi.org).*

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