



Highlights

Save the Date for the IADI Fourth Annual Conference in Taipei!

New Feature: Profile on Goodmans LLP, an IADI Observer

INSOL issues a publication on Deposit Insurance

European Regional Committee Formed

SAVE THE DATE!



IADI's FOURTH ANNUAL GENERAL MEETING AND CONFERENCE

“Challenges for Deposit Insurers in Resolving Bank Failures”

Will be held

**27 – 29 SEPTEMBER, 2005
IN TAIPEI, TAIWAN**

Hosted by the Central Deposit Insurance Corporation
and
IADI

Venue: www.grand-hotel.org



More information on the Conference will be available in the next issue of this Newsletter.

About Taiwan: www.taiwan.net.tw

Tsunami Disaster

IADI expresses its support for the victims of the tsunami disaster in Asia. The Executive Council has provided US\$5,000 to UNICEF, the United Nations Children's Fund.

Canada Deposit Insurance Corporation undertook a collection from its staff for the victims of the tsunami. A total of C\$7,310 was raised and this sum will be matched by the Government of Canada through a special program. The Chair of the Executive Council, Jean Pierre Sabourin said "I hope that all **IADI Participants** will undertake similar fund raising activities and I particularly encourage all **IADI Members** to do what they can to raise funds to help the victims of the tragedy".

European Regional Committee Formed

The Executive Council is pleased to announce the creation of a Regional Committee for Europe. The Committee is chaired by Charles Cornut. Organizations wishing to join this committee should contact him at: ccornut@garantiedesdepots.fr



Charles Cornut is the Treasurer of the **International Association of Deposit Insurers** and Chairman of the newly created European Regional Committee. Mr. Cornut is the Président du Directoire, **Fonds de Garantie des Dépôts**, France. The IADI Third Annual Conference in October 2004, held in Brunnen, Switzerland, was chaired by Mr. Cornut.

Charles Cornut was appointed President of the **Fonds de Garantie des Dépôts** (FGD) of France in 1999. The FGD was established in law during that same year. It oversees all French financial institutions and it has intervened on two occasions in dealing with problem financial institutions.

Prior to his most recent assignment, Charles Cornut was the Vice President of the French Banking Association. In the Association, he had responsibility for the «mécanisme de solidarité», the former scheme of deposit guarantee for the French commercial banks. As well, since 1986, this scheme has intervened with different methods in the intervention of seven commercial banks.

In May 2002, Charles was elected Treasurer of **IADI**. As Treasurer, he oversees the financial affairs of this Association and he chairs the Finance and Planning Committee.

Charles Cornut received training as an Engineer and has served as a civil servant for over twenty years with The Treasury.

New Feature: Profile on IADI Observers

With this issue we are launching a profile on **IADI Observers**. Observers are international organizations, financial institutions and professional firms interested in the activities of IADI. In future issues we will profile **IADI Associates** and **Partners**.

Information on **how to join IADI** can be obtained from

- **Roumyana Markova, Chair of the Membership and Communications Committee**, at r.markova@dif.bg, tel.: (+359 2 981 3809)
- **IADI Secretariat** at kim.utnegaard@iadi.org tel: (+41 61 280 99 33)

You can also view [here](#) the application form.

Observer Profile:



With over 200 lawyers and offices in Toronto, Vancouver and Hong Kong, Goodmans provides counsel to a broad range of Canadian, U.S. and foreign enterprises, from sole proprietorships to multinational corporations, banks and governments across virtually every sector of the economy. Goodmans is known across Canada and internationally for excellence and market leadership in a number of practice specialties. Our lawyers are consistently recognized by leading industry publications published by, among others, Lexpert, Lexpert/American Lawyer Media, Chambers and Partners, Global Counsel, Euromoney and Law Business Research. Goodmans is a member and active participant in the World Law Group, a network of independent law firms located in the world's major commercial cities, selected for excellent business reputations, commitment to international practice and ability to assist other member firms in their international dealings.

Goodmans Toronto: The Toronto office of Goodmans was founded in 1917 and is the largest of all Goodmans offices with over 180 lawyers. The Toronto office is international in scope and offers foreign and domestic clients a full range of services and expertise in all major areas of business law with a particular emphasis in transactional matters such as mergers and acquisitions and restructurings, corporate financings and offerings, securities, banking and finance, REITs and income funds, commercial real estate acquisition and disposition, international trade, tax planning and litigation.

Goodmans Vancouver: The Vancouver office of Goodmans is international in scope, working with a wide range of Canadian and foreign-based companies, emphasizing corporate finance, mergers and acquisitions, securities and business law in the context of sophisticated transactions for business clients which include high technology, telecommunications, mining and natural resources, financial services, entertainment, real estate and manufacturing companies. The Vancouver office is well positioned to handle sophisticated, multinational transactions.

Goodmans Hong Kong: Established in 1971, Goodmans' Hong Kong office is licensed to practice local Hong Kong law and is focused on servicing international businesses, including those located in Hong Kong, elsewhere in Asia, Europe, Canada, the U.S. and Australia. Fong & Ng, Goodmans' local affiliate in Hong Kong, created an alliance with King & Wood, one of the largest private law firms in mainland China with offices in Beijing, Shanghai, Chengdu and Shenzhen. This alliance brings together over 400 lawyers to serve clients with interests in the Asia Pacific Region and in North America. Goodmans Hong Kong office focuses on facilitating corporate, commercial and securities transactions in Hong Kong, China and other parts of Asia, as well as debt restructuring, asset-based financings, infrastructure and telecommunications projects, banking, real estate, international tax and estate planning, and offshore trusts. Goodmans Hong Kong also serves as a conduit between Hong Kong businesses and financial institutions, and the capital markets in North America.

International Experience: Goodmans provides counsel for a range of international transactions including advising on the Canadian aspects of international and U.S. cross-border mergers, acquisitions, financings, insolvencies, restructurings, and privatizations. We have earned the reputation of handling challenging problems, often international in scope, which demand creative solutions.

Main International Areas of Practice:

Mergers & Acquisitions: Goodmans' M&A practice is widely recognised for depth and expertise, and has played a key role in many of the major M&A deals in Canada, representing acquirors, targets, borrowers and issuers, or their lenders, underwriters and investors. Matters and transactions in which the firm advised in 2004/2005 include: Canadian counsel to Coeur d'Alene Mines Corporation in connection with its \$3.3 billion take-over bid for Wheaton River Minerals Ltd., Press Holdings International (The Barclay Brothers) in its bid for Hollinger Inc.,

Special Canadian counsel to Banknorth in TD Bank Financial Group's U.S. \$3.8 billion acquisition of Banknorth Group, Inc. , Counsel to Craig McCaw, Microcell Telecommunications Inc.'s largest shareholder in connection with a hostile takeover bid for Microcell by Telus and Microcell's subsequent acquisition by Rogers Wireless Inc., Tiffany & Co. in connection with the \$336 million sale of its common shares in Aber Diamond Corporation; Counsel to HSBC Securities, the financial advisors in connection with China Minmetals Corporation's proposed acquisition of Noranda Inc., Counsel to C&D Technologies Inc. in connection with the acquisition of Celestica's Power Systems business; and Trojan Technologies Inc. in connection with its acquisition by Danaher Corporation.

Corporate Finance & Securities: The group handles initial and secondary public offerings, private placements, rights offerings, derivative and structured financings, cross-border offerings, spin-offs, asset securitizations, takeovers and mutual fund and other investment vehicle offerings. We act on behalf of issuers, investment dealers, merchant banks, investors and regulators. Goodmans played a key role in a number of large offerings in 2004/2005 including: Yellow Pages' \$743M offering, Atlantic Power Corporation's \$320M of income participating securities, Four Seasons Hotels Inc.'s US \$250M convertible debt offering, Otelco's \$150.3M IPO and secondary offering of income participating securities, and Student Transportation of America Ltd.'s \$127.6M IPO of income participating securities.

Banking and Finance: Goodmans' Banking & Finance Group focuses on all types of domestic, cross-border and international financings for both lenders and borrowers. Our group's experience and expertise extends beyond traditional loan arrangements, and includes asset-based lending, project financings, securitizations, subordinated financings, mezzanine financings, debt restructurings, leasing and derivatives. Clients include: Leading Schedule I and Schedule II banks, leading U.S. banks, Ontario Teachers' Pension Plan, Providence Equity Partners, Congress Financial Corporation, GE Capital, GMAC Commercial Credit, Wells Fargo Foothill Inc., Laurus Master Fund, Cerberus Partners/Ableco Finance LLC, and Export Development Canada.

Insolvency & Restructuring: Goodmans' Corporate Restructuring Group is widely regarded as one of the best in Canada. For the fourth year in a row, Goodmans stands alone in the top tier for Canadian Insolvency/Corporate Recovery, according to *Chambers & Partners Global - The World's Leading Lawyers 2004-2005*. Clients and peers say that Goodmans' corporate restructuring practice "boasts *by far the best bench strength* in this field nationwide". Chambers also comments that Goodmans is "perceived to be one of the few firms in Canada to have a distinctive international as well as domestic profile". Goodmans is also widely acknowledged as being the pre-eminent Canadian firm in financial institution insolvencies.

Goodmans acts for corporations, institutional and non-institutional traditional and asset-based lenders, noteholders, equity sponsors and other key stakeholders, as well as a wide variety of debtors. Clients include private and public corporations, Canadian, U.S., and international financial institutions. Goodmans advises liquidators and federal agencies with regard to proceedings under the Winding-up and Restructuring Act in connection with the liquidation of domestic and international financial institutions including life insurers, property and casualty insurers, deposit-taking institutions and pension restructuring as well as regulatory compliance. It has considerable experience in a broad range of industries including, telecommunications, transportation, steel, forest products, energy and retail. The group is well-versed in the broad range of complex issues which frequently arise in the course of reorganizing or restructuring an entity with cross border ramifications.

The group has played a lead role in most major insolvency/restructuring/refinancing and liquidation matters in Canada acting for private and public corporations, Canadian and U.S. financial institutions and international and national corporations including: Laidlaw Inc., Teleglobe Inc., Air Canada, Stelco Inc., TCT Trucking Company, JTI-Macdonald, Laura Secord, Loews Cineplex Entertainment Corporation, Mosaic Group, Slater Steel Inc., Harnischfeger Industries, GT Group Telecom, PSINet Limited, Cable Satisfaction International Inc., Microcell Telecommunications, Doman Industries, AT&T Canada (now Allstream Inc.), Saskatchewan Wheat Pool, A.G. Simpson Automotive Inc., the Canadian Red Cross Society, Consumer's Packaging Inc. and Fleming/Core-Mark International; the refinancing of Parmalat Dairy & Bakery Inc. by Ontario Teachers' Pension Plan; the liquidations of Confederation Life Insurance Company, Markham General Insurance Company, Northumberland General Insurance Company, and the Canadian branches of Home Insurance Company, Reliance Insurance Company and English and American Insurance Company; and The Superintendent of Financial Services for Ontario to resolve the substantial under funding of the pension plans of Algoma Steel Inc. and Stelco Inc.

International Trade: Goodmans advises major domestic and international businesses, industry associations and governments on a broad spectrum of public/private infrastructure projects, international trade matters, including WTO and NAFTA obligations and dispute settlement, investor-state dispute settlement, government procurement bid challenges, anti-dumping duties, safeguards, customs duties, export and import controls and compliance with the *Corruption of Foreign Public Officials Act* and money laundering legislation.

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Bob Sanderson, Gale Rubenstein, Christine Cumming and Philip Wood on “Insolvency Issues and the Role of Deposit Insurers” at the Third Annual IADI Conference, Brunnen, Switzerland.

Bank Insolvency, an International Guide for Deposit Insurers: An INSOL Publication

On 3 February 2005, a publication entitled “Bank Insolvency, an International Guide for Deposit Insurers” will be launched by INSOL at a meeting of its G36 which will be held at the Four Seasons in New York. The purpose of this new publication is to foster discussions between deposit insurers and insolvency practitioners about effective practices in deposit insurance systems, to promote improvements to existing deposit insurance systems and to provide useful information to countries contemplating the creation of such systems.

In 2002, **Canada Deposit Insurance Corporation** conducted a survey of 78 countries with deposit protection arrangement systems. Forty-eight countries responded with their submissions in full or in part. The information was updated in 2002/03 and is now available at www.iadi.org, the website of the **International Association of Deposit Insurers**. The papers presented in the publication have extensively used these survey results.

This publication provides insight into the various deposit insurance systems and the different approaches taken by U.S.A., United Kingdom, Canada, Netherlands, Hong Kong and Japan, the countries covered in the book. Leaders for this project from INSOL were Bob Sanderson from KPMG Inc. Canada and Gale Rubenstein, Partner, **Goodmans LLP**. It is hoped that policymakers and practitioners will find this resource helpful when establishing or reforming their deposit insurance systems.

The book can be obtained from: Heather Callow, INSOL International, 2-3 Philpot Lane, London, EC3M 8AQ. Tel: 44 (0) 20 7929 6679; Fax: 44 (0) 20 7929 6678 and E-mail: heather@insol.ision.co.uk. The cost of the publication is £50.

What's new in your world?

Mr. Bisser Manolov, Chairman of the Management Board of the **Bulgarian Deposit Insurance Fund** (BDIF) paid a 5-day visit, 24-28 January, to the **Albanian Deposit Insurance Agency** (ADIA) under a TA project by the Financial Services Volunteer Corps. The general purpose of the visit was to render advice on investment issues. Mr. Manolov presented the BDIF investment policy and dealt with country debt markets, strategies against forex risk and contingency planning. He provided practical solutions to the ADIA on sound portfolio management.

Central Deposit Insurance Corporation led by Chairman Chin-Tsair Tsay, paid a visit to the **National Deposit Insurance Fund of Hungary** from 4-7 January 2005. During the four-day intensive meetings, the two corporations not only exchanged valuable experiences in implementing deposit insurance, but brought into discussion and reached consensus on the detail of further collaboration. The extensive talks covered a number of major issues such as interrelationships among financial safety net players, reimbursement systems, resolution mechanisms of failed banks, and public awareness issues. The meetings provided an opportunity to help strengthen the spirit of bilateral cooperation and communication among IADI members.



CDIC delegation visiting the NDIF offices in Budapest

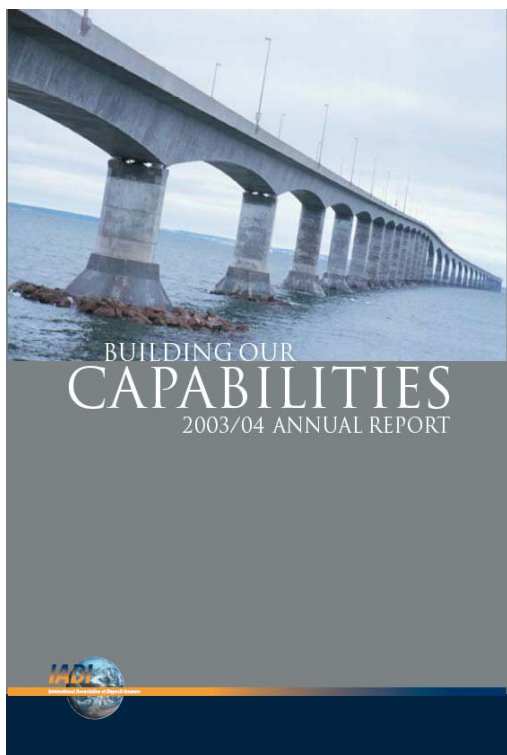


Chin-Tsair Tsay with Daniel Jánossy and András Fekete-Györ

Publications:

IADI Training Catalogue

An updated version is now available on the IADI website.



The Annual Report for 2003/04 is now available at:

<http://www.iadi.org/html/App/SiteContent/IADI%20Final%20AR%202003%202004.pdf>

The Report is also available in print format.

Should you wish to receive a copy, please contact Eva Vonaskova at:

secretariat@iadi.org

Please note your full name and postal address in your message.

You may find the following articles of interest:

International Monetary Fund

Working Paper No. 05/3: Financial Globalization and Exchange Rates

<http://www.imf.org/external/pubs/cat/longres.cfm?sk=17843.0>

Bank for International Settlements:

1. Stress testing at major financial institutions: survey results and practice

Introduction to 'Stress testing at major financial institutions: survey results and practice' (Committee on the Global Financial System Publications No. 24 - January 2005)

<http://www.bis.org/publ/cgfs24.htm>

2. Stress testing at major financial institutions: survey results and practice

Report by a working group established by the Committee on the Global Financial System

<http://www.bis.org/publ/cgfs24.pdf>

3. Stress testing continuing to evolve as a practical risk management tool, says CGFS

BIS Press Release by the CGFS on the release of report entitled 'Stress testing at major financial institutions: survey results and practice'

<http://www.bis.org/press/p050118.htm>

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International Association of Deposit Insurers
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This newsletter was issued on 31 January 2005. Want to share your expertise? To submit articles or items for consideration for a future issue please send them to info@iadi.org by 20 February 2005.