



EX78-0224-6

International Association of Deposit Insurers

Terms of Reference for the Council Committees

With effect from:	February 26 th , 2024
Approved by:	EXCO

1. Analysis Council Committee

1.1 Objectives

The Analysis Council Committee is established to conduct activities in furtherance of the statutory objectives of the International Association of Deposit Insurers (IADI) and in particular to:

- (i) monitor financial and banking system developments with the goal of identifying emerging issues and challenges for deposit insurance systems, including bank crisis management and resolution;
- (ii) collect and analyse data and conduct research to support the effective operation of deposit insurance systems and inform the development of deposit insurance system policies; and
- (iii) establish IADI as the global data centre for deposit insurance systems, including bank crisis management and resolution.

In the pursuit of these objectives, the Analysis Council Committee collaborates and coordinates closely with the Policy Council Committee and the Implementation Council Committee.

1.2 Principal Tasks and Responsibilities

The principal tasks and responsibilities of the Analysis Council Committee in pursuit of the above objectives are to:

- (i) promote the exchange of information on deposit insurance system issues, including bank crisis management and resolution, relevant to the development and implementation of effective deposit insurance system policies;
- (ii) establish a Member-driven process to oversee the collection of deposit insurance system data through IADI surveys, ensuring that the data collected is:
 - a. appropriate and consistent,
 - b. meets Member needs,
 - c. is useful to the deposit insurance system policy development process;
- (iii) oversee the maintenance of the VIDA data visualisation tool;
- (iv) oversee the development and maintenance of a global repository of information on bank failures and deposit insurance system interventions across jurisdictions, including the use of software tools to support the management and visualisation of the data;
- (v) develop a framework for the controlled access to and usage of IADI data and data tools by Members, Associates, Partners as well as external parties;
- (vi) provide oversight and direction to analytical and research work and the development of research papers by Technical Committees, Working Groups and the Secretariat;
- (vii) promote an active exchange with academia and other research institutions; and
- (viii) encourage analysis and research on topics in support of the development and implementation of effective deposit insurance system policies.

1.3 Composition

- (i) Councilmembers as well as IADI Designated Representatives of Members not represented on the Executive Council are eligible as members of the Analysis Council Committee.
- (ii) The size of the Analysis Council Committee shall not exceed 25 per cent of the IADI membership.
- (iii) The Analysis Council Committee Chairperson proposes the composition of the Analysis Council Committee to the Executive Council for approval.
- (iv) Designated representatives of IADI Associates are eligible to participate as observers, provided they bring relevant expertise.

1.4 Executive Council oversight and governance

- (i) The Executive Council is the oversight body of the Analysis Council Committee.
- (ii) The Executive Council may, at any time, terminate the Analysis Council Committee if it is satisfied that the Analysis Council Committee has fulfilled its purpose and its continued existence is no longer necessary.
- (iii) The Analysis Council Committee's Terms of Reference shall be reviewed periodically by the Executive Council.
- (iv) The Analysis Council Committee, in consultation with the Policy and Implementation Council Committees, develops an annual work plan for review and approval by the Executive Council and provides periodic reports on the status of its implementation.
- (v) The Analysis Council Committee's operations and governance are governed by the By-laws and any other policies and procedures approved by the Executive Council.

2. Policy Council Committee

2.1. Objectives

The Policy Council Committee is established to conduct activities in furtherance of the statutory objectives of the International Association of Deposit Insurers and in particular to:

- (i) develop and propose to the Executive Council sound deposit insurance system policies to assist authorities and jurisdictions in establishing or enhancing deposit insurance systems taking into account the diversity of financial systems and circumstances in jurisdictions; and
- (ii) strengthen IADI as forum for the discussion of policy issues on effective deposit insurance systems, including bank crisis management and resolution, and global financial stability.

In the pursuit of these objectives, the Policy Council Committee collaborates and coordinates closely with the Analysis Council Committee and the Implementation Council Committee.

2.2. Principal Tasks and Responsibilities

The principal tasks and responsibilities of the Policy Council Committee in pursuit of the above objectives are to:

- (i) provide oversight and direction on the development of deposit insurance system policies, including bank crisis management and resolution, considering the diversity of mandates, structures and circumstances of IADI Members;
- (ii) promote the IADI Core Principles and develop supporting guidance to assist authorities in implementing the IADI Core Principles and to enhance the effectiveness of deposit insurance systems, including bank crisis management and resolution, considering the diversity of mandates, structures and circumstances of IADI Members;
- (iii) drawing on the work of the Analysis Council Committee, on topics of relevance to IADI Members advise on good deposit insurance system practices across IADI jurisdictions, including on bank crisis management and resolution, by developing or overseeing the development of policy papers;
- (iv) collaborate on policy issues relevant to deposit insurance systems with other international standard setters and fora, including the Financial Stability Board Resolution Steering Group;
- (v) engage with other financial safety-net participants and stakeholders with a view to promoting a holistic view of the financial safety-net and ensuring the effective interplay between deposit insurance system policies and other financial safety-net components, including the supervisory, resolution, deposit insurance, lender-of-last-resort, and public backstop function, and enhancing awareness concerning the key role of deposit insurance systems in maintaining financial stability; and
- (vi) based on the work of the Analysis Council Committee, develop policy positions, to inform IADI's participation and to further the interests of IADI in the work of other international standard-setting bodies and fora on issues involving deposit insurance systems, consulting widely amongst IADI Members, stakeholders and academia.

2.3. Composition

- (i) Councilmembers as well as IADI Designated Representatives of Members not represented on the Executive Council are eligible as members of the Policy Council Committee.
- (i) The size of the Policy Council Committee should not exceed 25 per cent of IADI membership.
- (ii) The Policy Council Committee Chairperson proposes the composition of the Policy Council Committee to the Executive Council for approval.
- (iii) Designated representatives of IADI Associates are eligible as observers, provided they bring relevant expertise.

2.4. Executive Council oversight and governance

- (i) The Executive Council is the oversight body of the Policy Council Committee.
- (ii) The Executive Council may, at any time, terminate the Policy Council Committee if it is satisfied that the Policy Council Committee has served its purpose and its continued existence is no longer necessary.
- (iii) The Policy Council Committee's Terms of Reference shall be reviewed periodically by the Executive Council.
- (iv) The Policy Council Committee, in consultation with the Analysis and Implementation Council Committees, develops an annual work plan for review and approval by the Executive Council and provides periodic reports on the status of its execution.
- (v) The Policy Council Committee's operations and governance are governed by the By-laws and any other policies and procedures approved by the Executive Council.

3. Implementation Council Committee

3.1. Objectives

The Implementation Council Committee is established to conduct activities in furtherance of the statutory objectives of the International Association of Deposit Insurers and in particular to:

- (i) promote the implementation of effective Deposit Insurance System Policies by monitoring and assessing their adoption in Members' jurisdictions; and
- (ii) facilitate technical assistance, capacity building, and training to assist Members in the implementation of the Core Principles and other deposit insurance system policies and guidance.

In the pursuit of these objectives, the Implementation Council Committee collaborates and coordinates closely with the Policy Council Committee and the Analysis Council Committee.

3.2. Principal Tasks and Responsibilities

The principal tasks and responsibilities of the Implementation Council Committee in pursuit of the above objectives are to:

- (i) increase the understanding of the application of the Core Principles, and related deposit insurance system policies and guidance, through a range of delivery methods, including in-person or virtual training, assessment reviews and capacity building programs;
- (ii) develop and implement a structured process for the monitoring of implementation of the IADI Core Principles, including the conduct self-assessment of compliance by Members, thematic or jurisdictional peer reviews, and regular reporting on implementation progress;
- (iii) develop and maintain effective partnerships with international financial institutions and regional fora to leverage their resources for capacity building initiatives, and other events, such as conferences, webinars, forums, and symposiums;
- (iv) develop or contribute to the development of regional and global training events and conferences, in coordination with other Council Committees and Regional Committees, with a view to promoting consistent high-standards for IADI training events in line with existing IADI organizational policies and the IADI Annual Plan;
- (v) provide Members with technical support to modernise and upgrade their deposit insurance systems, including by facilitating bilateral technical assistance from other Members, Associates and Partners; and
- (vi) develop and maintain a roster of Core Principles Experts with the necessary expertise and skills to support IADI implementation, monitoring and capacity building initiatives.

3.3. Composition

- (i) Councilmembers as well as IADI Designated Representatives of Members not represented on the Executive Council are eligible as members of the Implementation Council Committee.
- (ii) The size of the Implementation Council Committee should not exceed 25 per cent of

IADI membership.

- (iii) The Implementation Council Committee Chairperson proposes the composition of the Implementation Council Committee to the Executive Council for approval.
- (iv) Designated representatives of IADI Associates are eligible as observers provided they bring relevant expertise.

3.4. Executive Council oversight and governance

- (i) The Executive Council is the oversight body of the Implementation Council Committee.
- (ii) The Executive Council may, at any time, terminate the Implementation Council Committee if it is satisfied that the Implementation Council Committee has served its purpose and its continued existence is no longer necessary.
- (iii) The Implementation Council Committee's Terms of Reference shall be reviewed periodically by the Executive Council.
- (iv) The Implementation Council Committee, in consultation with the Analysis and Policy Council Committees, develops an annual work plan for review and approval by the Executive Council and provides periodic reports on the status of its execution.
- (v) The Implementation Council Committee's operations and governance are governed by the By-laws and any other policies and procedures approved by the Executive Council.

4. Internal Control Council Committee

4.1. Objectives

The Internal Control Council Committee is established to develop and maintain the internal control and risk management framework of IADI to ensure that all IADI and Secretariat activities are compliant with the applicable organisational policies and procedures.

4.2. Principal Tasks and Responsibilities

The principal tasks and responsibilities of the Internal Control Council Committee in pursuit of the above objectives are to:

- (i) support IADI in managing its risks by defining and developing accounting, financial and organisational rules and policies that complement the rules and policies that apply to IADI as a BIS-hosted association, and by monitoring compliance with these rules and policies;
- (ii) review and monitor the Association's risk management framework and internal controls plan to reduce the materialisation of risks and/or control failures;
- (iii) receive reports on any incidents or control failures occurring and oversee the handling of any major operational incidents, and develop and oversee the implementation of remediation plans in the event of any internal control failure occurring;
- (iv) propose to the Executive Council the engagement of a third party if the investigation and handling of the incident gives rise to a real or perceived conflict of interest;
- (v) monitor the integrity of the Association's financial statements and any other matters to ensure that the financial resources are managed adequately and used exclusively for pursuing the Association's Objectives, based on the applicable operational policies;
- (vi) oversee the implementation of the Association's financial plans, highlighting risks and opportunities to the Executive Council, and make recommendations to the Executive Council for actions to be taken relating to these plans;
- (vii) oversee the selection, annual review, and recommendation to the Executive Council, to be put forth to the General Assembly, for the appointment or removal of the Association's external auditor in alignment with the Bank for International Settlement's external auditor rotation;
- (viii) review and approve the external auditor engagement letter prior to the annual audit;
- (ix) review and discuss with the external auditor the results of the annual audit and recommend to the Executive Council the presentation of the Annual Audit report to the General Assembly for approval; and
- (x) establish and implement an arrangement for Members to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensure proportionate and independent investigation of such concerns and direct reporting on these to the Chair of the Executive Council, as well as appropriate follow-up action.

4.3. Composition

- (xi) Only Designated Representatives of Members with relevant expertise in accounting, finance, and risk management are eligible as members of the Internal Control Council Committee.
- (xii) The Internal Control Council Committee may have up to ten members.
- (xiii) The Internal Control Council Committee Chairperson proposes the composition of the Internal Control Council Committee to the Executive Council for approval.
- (xiv) Members serving on the Internal Control Council Committee cannot also serve on the Planning Council Committee.

4.4. Executive Council oversight and governance

- (i) The Executive Council is the oversight body of the Internal Control Council Committee.
- (ii) The Chairperson of the Internal Control Council Committee has the right to call an in-camera session of the Executive Council or request the Chair of the Executive Council to do so.
- (iii) The Chairperson of the Internal Control Council Committee provides its report to the Executive Council in an in-camera session at each Executive Council meeting;
- (iv) The Internal Control Council Committee develops an annual work plan for review and approval by the Executive Council and provides periodic reports on the status of its implementation.
- (v) The Executive Council may, at any time, terminate the Internal Control Council Committee if it is satisfied that the Internal Control Council Committee has served its purpose and its continued existence is no longer necessary.
- (vi) The Internal Control Council Committee's Terms of Reference shall be reviewed periodically by the Executive Council.
- (vii) The Internal Control Council Committee's operations and governance are governed by the By-laws and any other policies and procedures approved by the Executive Council.

5. Planning Council Committee

5.1. Objectives

The Planning Council Committee is established to ensure the Association sustains long-term financial stability by reporting and providing expert advice and recommendations to the Executive Council with respect to the oversight of matters related to financial planning, financial monitoring, and financial performance in compliance with the IADI strategic priorities adopted by the Executive Council.

5.2. Principal Tasks and Responsibilities

The principal tasks and responsibilities of the Planning Council Committee in pursuit of the above objectives are to:

- (i) supervise the development of the annual budget by the Secretariat;
- (ii) in coordination with the Analysis, Policy and Implementation Council Committees and the Regional Committees, develop an annual plan of all activities of the Association and the budgetary allocation ("Annual Plan") for approval by the Executive Council, and ensure it is aligned with the IADI strategic priorities;
- (iii) review and recommend the annual budget to the Executive Council, as well as any reallocation of approved operating budget funds;
- (iv) report periodically to the Executive Council on the financial situation and execution of the IADI Annual Plan;
- (v) support the Secretariat in advancing the annual planning, budget, and financial management policies in accordance with the IADI Statutes and By-Laws;
- (vi) review proposed policies related to all areas of financial management prepared by the Secretariat and recommend them for approval by the Executive Council, as needed;
- (vii) review existing financial management policies and procedures and propose amendments as needed;
- (viii) make recommendations with the aim of assuring long-term financial sustainability, including maintaining an overview of fee income against expected expenditure;
- (ix) examine financial statements, compare actual performance against budget and recommend, as necessary, any changes in financial strategy to the Executive Council;
- (x) develop and implement an investment strategy to ensure that IADI financial resources are invested in a transparent manner and in line with the IADI Investment Policy, and provide periodic reports on the investment activities to the Executive Council; and
- (xi) examine, provide advice or recommendations regarding all other financial matters that the Executive Council may deem appropriate in close cooperation with the Secretariat.

5.3. Composition

- (i) Councilmembers as well as Designated Representatives of Members not represented on the Executive Council with relevant expertise in financial planning are eligible as members of the Planning Council Committee.
- (ii) The Planning Council Committee may have up to ten members.
- (iii) The Planning Council Committee Chairperson proposes the composition of the Planning Council Committee to the Executive Council for approval.
- (iv) Members serving on the Planning Council Committee cannot also serve on the P Internal Control Council Committee.

5.4. Executive Council oversight and governance

- (i) The Executive Council is the oversight body of the Planning Council Committee.
- (ii) The Executive Council may, at any time, terminate the Planning Council Committee if it is satisfied that the Planning Council Committee has served its purpose and its continued existence is no longer necessary.
- (iii) The Planning Council Committee develops an annual work plan for review and approval by the Executive Council and provides periodic reports on the status of its implementation.
- (iv) The Planning Council Committee's Terms of Reference shall be reviewed periodically by the Executive Council.
- (v) The Planning Council Committee's operations and governance are governed by the By-laws and any other policies and procedures approved by the Executive Council.