



لضمان ودائعكم البنكية  
Pour la garantie de vos dépôts bancaires

**THE INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS (IADI) -  
MIDDLE EAST AND NORTH AFRICA REGIONAL COMMITTEE (MENA)  
WEBINAR:**

**IADI CORE PRINCIPLE 4: COORDINATION AND COOPERATION  
BETWEEN DEPOSIT INSURERS AND OTHER SAFETY-NET PLAYERS IN  
NORMAL TIMES AND IN CRISES**

## 1.0 Introduction

A virtual event focusing on “IADI Core Principle 4: Coordination and cooperation between deposit insurers and other safety-net players in normal times and in crises” was held on 21 January 2021. The agenda for the virtual event is presented in Annex.

## 2.0 Participants

The virtual event was attended by 143 participants from Angola, Ghana, Kenya, Indonesia, Italy, Jamaica, Jordan, Kazakhstan, Kenya, Kyrgyz Republic, Mexico, Morocco, Nigeria, Palestinian Territory, Romania, Russian Federation, Saudi Arabia, Senegal, Serbia, Switzerland, Tanzania, Thailand, Turkey, Uganda, Ukraine, United States of America, Uruguay and Vietnam. The webinar was hosted by the *Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires* (SGFG), Morocco on behalf of the MENA Regional Committee. The virtual event had two (2) Sessions and six (6) speakers.

The webinar was moderated by Mohamed Mahraoui, the Head of Intervention and Resolution Department at Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires (SGFG).

## 3.0 Programme Highlights

Mr. Lhassane Benhalima, the General Manager of SGFG welcomed everyone to the first webinar of 2021, thanked speakers and the IADI Secretariat for their valued support. He highlighted that the topic on relationship with other financial safety net (FSN) players is very important and especially under the current challenging times. He urged all participants to take advantage of this webinar and benefit from experiences of other jurisdictions.

David Walker, the IADI Secretary General in his opening remarks thanked Mr. Benhalima the General Manager of SGFG, the Chairperson of the Middle East and North Africa (MENA) Regional Committee, Mr. Hammuz Zaher and the IADI Secretariat for helping in the planning and hosting of this event. He pointed out that Core Principle 4 is challenging as it involves interrelationships with other financial safety net players. One of the main lessons from the 2008 financial crisis is related to the importance of having a comprehensive framework for both normal times and in crisis on how financial safety-net players coordinate and share information. David indicated that IADI members from a survey that was carried out on the

“Impact of the COVID-19 Pandemic on Deposit Insurance and Financial Stability” shows that majority of deposit insurers are moving towards enhancing information sharing with other safety-net participants.

Eugenia Alamillo, the IADI Senior Training and Technical Assistance Advisor gave an overview of Core Principle 4. She highlighted that in order to protect depositors and contribute to financial stability, there should be a formal and comprehensive framework in place for the close coordination of activities and information sharing, on an ongoing basis, between the deposit insurer and other financial safety-net participants. The relationships with other safety-net participants must be explicit and formalized through legislation, regulation, or legal agreements.

Eugenia indicated that the safety net involves institutions that deals with resolution, deposit insurance, prudential regulation and supervision and lender of last resort. The more complex the safety-net institutional setup is, the more relevant the “interrelationships issue” becomes. She also mentioned that the amount of information requirements is also related to the mandate of a deposit insurer, as a risk minimizer requires more information compared to a paybox.

She highlighted that the coordination and exchange of information should be clearly defined, on an ongoing basis, provided in a timely manner, accurate and confidentiality issues should be observed.

In concluding, she mentioned that IADI Core Principle 4 recognizes the importance of coordination in normal times and is critical particularly during difficult times.

### **Session 1- Normal Time**

#### **Coordination among safety-net participants: Information sharing arrangements to ensure adequate coordination and challenges faced by deposit insurers.**

Insaf Boulmane, Head of Internal Audit at SGFG highlighted the legal and regulatory framework governing the relationship and information sharing between Central Bank of Morocco (BAM) and SGFG. She indicated that the BAM supervises all banks and other credit institutions, selects, implements and or monitors resolution tools, issues all regulations relating to deposit insurance system, provides emergency liquidity and plays a key role in crisis

management. The deposit insurer manages two Funds (conventional and Islamic), participates in resolving bank difficulties by providing financial support (loans or ownership), may act as provisional administrator and reimburses eligible depositors in the case of bank failure.

she advised that, a cooperation agreement was signed between the BAM and SGFG in 2020 based on the provisions in the banking law, terms and conditions issued by BAM as well as IADI Core Principles. The agreement has provisions for confidentiality rules. The BAM should share with SGFG data and information on premiums paid by member banks annually, annual qualitative assessment of each member bank, capital and solvency indicators, profitability and return indicators and eligible deposits and depositors. On the other hand, the SGFG should share with the BAM data and information on financial positions of the deposit insurance funds, investment activities as well as performance indicators and related risks.

Elif Aripinar, Fund Expert, Savings Deposit Insurance Fund of Turkey gave an overview of the safety net in Turkey, which consists of Ministry of Treasury and Finance (provides public sources of funds), Banking Regulation and Supervision Agency (oversees banking regulation and supervision), Central Bank of the Republic of Turkey (serves as the lender of last resort), and Savings Deposit Insurance Fund (engages in deposit insurance and bank resolution).

According to Elif, the financial safety net players interact in various committees and commissions with responsibilities and actions clearly set in laws and regulations. In these committees and commissions some decisions are made jointly, and actions taken collectively. Under the information sharing framework arrangement, the Banking Regulation and Supervision Agency (BRSA), Central Bank of the Republic of Turkey and Savings Deposit Insurance Fund (SDIF) share jointly agreed databases observing confidentiality rules. The BRSA shares information in normal times on prompt corrective actions (corrective measures, rehabilitating measures and restricting measures) to be applied to banks by the SDIF. The safety net players share both plain bank data and processed information. Parameters of information sharing are well defined and proper systems and tools are in place.

She concluded by saying that Turkey has an efficient structure for all financial safety net players that allows smooth coordination of activities and information sharing. Members of the FSN have demonstrated proper execution of their respective mandates and they target to prevent bank failures and crisis and to prepare for bank failures and crisis in normal times.

## Session 2- In Crises

### **Involvement of deposit insurers in crisis management and mechanisms for coordination and crisis communications**

Sunday Oluyemi, Director Research, Policy and International Relations, Nigeria Deposit Insurance Corporation (NDIC), indicated that as a risk minimizer with broad mandate, NDIC plays a greater role in crisis management in the financial services industry including management and restructuring of failing banks, and enhanced public awareness. In Nigeria, the Financial Services Regulation Coordinating Committee (FSRCC) acts as a mechanism/platform for coordinating activities of the various members of the safety net. The FSRCC brings together all members of the safety net and discuss pertinent issues affecting the financial sector. He indicated that when it comes to mechanisms for coordination and collaboration the Central Bank of Nigeria (CBN) is the major partner of NDIC among safety-net players with activities ranging from on-site supervision and off-site surveillance of banks through sharing of common Electronic Financial Analysis System (FiNA) database; joint consultations on resolution actions; and other banking issues. There is express legislative provisions and operational arrangements for information sharing between the CBN and NDIC.

He pointed out that when it comes to crisis communication, the CBN takes the lead and coordinates information dissemination to the public and ensures that the financial safety net players speak with one voice. During crisis, to maintain depositor confidence, efforts are made by authorities particularly NDIC to ensure that the public, especially, depositors are aware and understand measures undertaken for the protection of their deposits.

Mr. Oluyemi concluded that notwithstanding adequate mechanisms being in place for coordination among financial safety net players in Nigeria, especially between CBN and NDIC, challenges arise due to lack of proper appreciation of the role of the NDIC and Fiscal

responsibility Act slows the accumulation of funds and thus would impact available funds for resolution activities in times of distress.

Nikolay Evstratenko, Director International Cooperation, Deposit Insurance Agency (DIA), Russian Federation, highlighted that the National Council for Ensuring Financial Stability acts as a platform for coordination among safety net players. The National Council for Ensuring Financial Stability consists of the Bank of Russia, Ministry of Economic Development, Ministry of Finance and the Deposit Insurance Agency.

He pointed out the following as some of the crisis preparedness mechanisms in place including risk-based premiums, back-up funding (provided by Bank of Russia, Government), robust resolution toolkit and memorandum of understanding. In addition, the DIA has stand-by agreements (agent banks, outsourcing – lawyers, appraisers, accountants, sales platforms), internal and external regulations; trained staff, information technology systems, software tools and online platforms for payouts, repayment of loans, asset sales.

Mr. Evstratenko, indicated that as part of crisis management, the DIA has paid out 2.0 trillion rubles (~ US\$ 27.1 billion) to more than 4.1 million insured depositors; starts reimbursement of insured depositors on average 6 working days after bank closure and acts as provisional administration of banks subject to resolution. During crisis, communication channels normally used include the agency's web site (press-releases, notifications to depositors), hot line, works with Internet community of bank customers through crowdsourcing on an Internet platforms, compulsory publications in federal and local press and mass media (interviews and comments on TV, radio, printed and Internet media) etc.

In his conclusion, he pointed out that safety net players need to be well informed and collaborate both in the implementation of crisis management tools and in communication with the public. A banking supervisor should have transparent early intervention and emergency liquidity assistance frameworks and should share with deposit insurers the information about “likely to fail” banks. Resolution authorities should have in place the toolkit and financial and communication arrangements for resolving problem banks in an effective manner (ideally - compliant with Financial Stability Board Key Attributes). A deposit insurer

should have all necessary powers and capabilities including pre-arranged back-up funding arrangements.

Said Draoui, Head of Banking Resolution Unit, Central Bank of Morocco (BAM) provided the closing remarks highlighting the institutional framework and cooperation that exist at national and cross border level. At national level, there is a Financial Stability Committee (FSC) established within BAM chaired by the Governor of BAM with duties including, the monitoring of risk indicators and financial stability risk mapping, reviewing the systemic risks and weaknesses in the financial sector and assessing the impact of macroeconomic policies on financial stability. There is also a Systemic Risk Surveillance and Coordination Committee responsible for defining the information to be exchanged in normal times and those that should be shared in the event of a crisis and enhancing preparedness and coordinating actions to ensure efficient crisis management.

Mr. Said advised that two crisis simulation exercises were carried with the assistance of the World Bank first, to test the legal, operational and coordination mechanisms in place and secondly, as a follow up to assess the effectiveness of the changes that were implemented. As a result of these exercises, a framework for sharing data among financial sector regulatory authorities (the Insurance and Social Security Supervisory Authority and the Moroccan Capital Market Authority) in both normal times and in times of crisis was established. In addition, the Banking Law provides a legal framework for the cross-border coordination in regard to the exchange of information, the conduct of inspection, the creation of college as well as coordinated resolution actions. The BAM has memorandum of understanding agreements with the competent foreign authorities specifying the terms and conditions for sharing information and cross-border coordination and intervention arrangements needed for implementing the resolution in a cross-border context.

#### **4.0 Lessons Learned**

The webinar was attended by 143 participants showing a huge interest in the area that was under discussion. It implies that when planning TAWs, the host should consider topics or areas that appeal to most jurisdictions in order to have a wider reach for the benefit of members in that region and or the IADI membership at large. Secondly, regional committees should

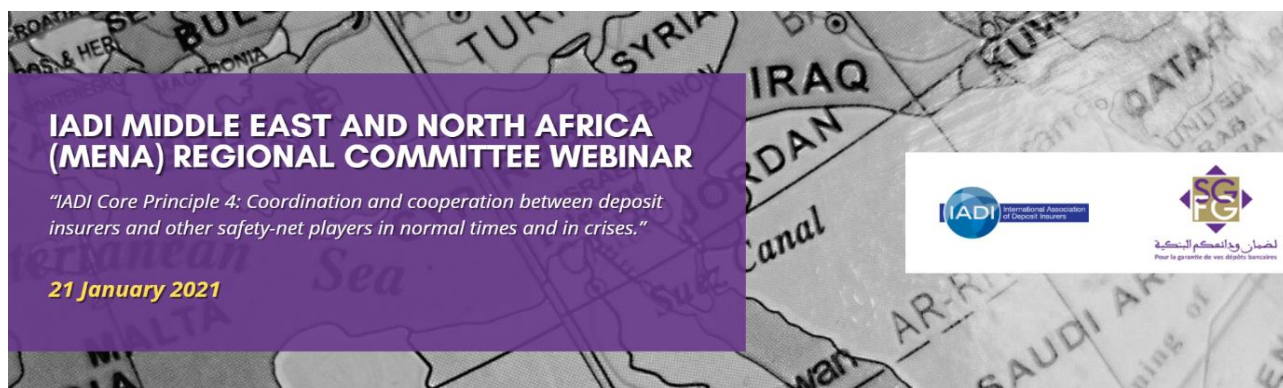
consider opening events such as TAWs to all IADI members rather than restricting to their own regions especially virtual events.

## **5.0 Conclusion**

The webinar was executed successfully with a participating ratio of 89%. Speaker selection was rated very high at 96% combining the ratings for excellent and good. All the speakers received a rating above 86% (combining the ratings on good and excellent). The webinar was highly interactive with participants asking questions in both sessions.





## Annex



### IADI MIDDLE EAST AND NORTH AFRICA (MENA) REGIONAL COMMITTEE WEBINAR

*"IADI Core Principle 4: Coordination and cooperation between deposit insurers and other safety-net players in normal times and in crises."*

**21 January 2021**

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Pour la garantie de vos dépôts bancaires

| Thursday 21 January 2021<br>14:00 – 16:30 (CET) |  |
|---|--|
| TIME  | ITEM   |
| 14:00 – 14:05                                   | Welcome and objectives of the Webinar<br><br><b>Mohamed Mahraoui</b> - Moroccan Deposit Insurance Corporation  |
| 14:05 – 14:10                                   | Opening Remarks<br><br><b>David Walker</b> – Secretary General-International Association of Deposit Insurers   |
| 14:10 – 14:25                                   | Overview of key features of Core Principles 4<br><br><b>Eugenia Alamillo</b> - Senior Training and Technical Assistance Advisor - International Association of Deposit Insurers  |
| Session 1 – Normal Time                         |  |
| 14:25 – 14:55                                   | Coordination among safety-net participants: Information sharing arrangements to ensure adequate coordination and challenges faced by deposit insurers.<br><b>Insaf Boulmane</b> - Head of Internal Audit, Moroccan Deposit Insurance Corporation<br><br><b>Elif Arıpinar</b> – Fund Expert, Savings Deposit Insurance Fund of Turkey                                 |
| 14:55 – 15:10                                   | Q&A  |
| Session 2 – In Crises                           |  |
| 15:10 – 15:40                                   | Involvement of deposit insurers in crisis management and mechanisms for coordination and crisis communications<br><br><b>Sunday A. Oluyemi</b> – Director Research, Policy and International Relations - Nigeria Deposit Insurance Corporation<br><br><b>Nikolay Evstratenko</b> - Director International Cooperation - Deposit Insurance Agency, Russian Federation |
| 15:40 – 15:55                                   | Q&A  |
| 15:55 – 16:10                                   | Closing remarks<br><br><b>Said Draoui</b> - Head of Banking Resolution Unit, Central Bank of Morocco   |