

APPENDIX 5.1: INTERNATIONAL COMPARISON OF COVERAGE FEATURES (DEPOSIT INSURANCE)

Design variables	International comparisons											
		Canada ¹	France ²	Germany ³	Hong Kong ⁴	Italy ⁵	Japan ⁶	Korea ⁷	Netherlands ⁸	Switzerland ⁹	UK ¹⁰	US ¹¹
Entry	Compulsory	x	x	x	x	x	x	x	x		x	x
	Voluntary									x		
Eligibility	Per deposit	No	No	No	No	No	No	No	No	No	No	No
	Per depositor	x	x	x	x	x	x	x	x	x	x	x
Coverage	Capped	x	x		x	x	x	x	x	x	x	x
	Coinsurance	No	No	x ¹²	No	No	No	No	No	No	x	No
	Principal	x	x	x	x	unknown	x	x	x	x	x	x
	Interest	x	unknown	unknown	x	unknown	x	unknown	unknown	unknown	unknown	x
	Domestic deposits	x	x	x	x	x	x	x	x	x	x	x
	Includes Foreign currency deposits	No	x ¹³	x	x	x	No	No	x	x	x	x
	Netting	unknown	unknown	unknown	x	unknown	x	x	x	unknown	x	x

International comparison of coverage features (deposit insurance) (continued)

Design variables	International comparisons											
		Canada ¹⁵	France ¹⁶	Germany ¹⁷	Hong Kong ¹⁸	Italy ¹⁹	Japan ²⁰	Korea ²¹	Netherlands ²²	Switzerland ²³	UK ²⁴	US
Funding	Pre				x		x	x				
	Post		x			x			x	x		
	Combination	x		x							x	x ²⁵
	Private		x	x	x			x ²⁶		x	x	x
	Public					x						
	Joint	x					x ²⁷		x ²⁸			
Premium setting	Risk based premia	x		x	x	x				x ²⁹		x
	Flat premia		x				x ³⁰	x	x	x	x ³¹	
Administered	Private			x						x	x	
	Public	x			x			x	x			x
	Joint		x ³²			x	x					

Source: World Bank 2000, <http://www.cdic.ca/?id=100>, http://www.garantiedesdepots.fr/reglements_99_06.php#annexe, Beck 2001, <http://www.info.gov.hk/hkma/index.htm>, <http://www.fitd.it>, http://www.dic.go.jp/english/e_soshiki/e_soshiki.html, <http://www.kdic.or.kr/english>, Garcia and Prast 2003, <http://www.swissbanking.org/en/home/akteure.htm>, <http://www.fscs.org.uk/>, <http://www.fdic.gov/>

Appendix 5.1: International Comparison of coverage features(deposit insurance)

Notes

- 1 The Canadian Deposit Insurance Corporation (CDIC).
- 2 The Fonds de Garantie des Depots.
- 3 Private scheme run by the German Banks Association.
- 4 Hong Kong Deposit Protection Board.
- 5 The Fondo Interbancario di Tutela dei depositi (FITD).
- 6 Deposit Insurance Corporation of Japan (DICJ).
- 7 Korea Deposit Insurance Corporation (KDIC).
- 8 Collective Guarantee Scheme of Credit Institutions for Repayable Funds and Portfolio Investments (CGS), implemented by the Netherlands Bank (the central bank).
- 9 The scheme is run by the Swiss Bankers Association.
- 10 Financial Services Compensation Scheme (FSCS).
- 11 Federal Deposit Insurance Corporation (FDIC).
- 12 The coverage is equal to 30 per cent of equity, which equates to approximately EUR 90 million, which is effectively a complete guarantee.
- 13 The Fonds de Garantie des Depots excludes foreign currency deposits outside of the European Economic Area.
- 14 The Canadian Deposit Insurance Corporation (CDIC).
- 15 The Fonds de Garantie des Depots.
- 16 Private scheme run by the German Banks Association.
- 17 Hong Kong Deposit Protection Board.
- 18 The Fondo Interbancario di Tutela dei depositi (FITD).
- 19 Deposit Insurance Corporation of Japan.
- 20 Korea Deposit Insurance Corporation (KDIC).
- 21 Collective Guarantee Scheme of Credit Institutions for Repayable Funds and Portfolio Investments (CGS), implemented by the Netherlands Bank (the central bank).
- 22 The scheme is run by the Swiss Bankers Association.
- 23 Financial Services Compensation Scheme (FSCS).
- 24 Federal Deposit Insurance Corporation (FDIC).
- 25 Predominantly pre-funded, but may levy on post-funded assessment. Premiums paid go into the 'general fund of the United States' and losses incurred by the fund will be reflected in the Government's budget.
- 26 The KDIC is authorised to borrow from the Government or Central Bank with the Minister for Finance approval.
- 27 DICJ can raise funds from the capital market through borrowings and bond issues with a Japanese government guarantee.
- 28 The central bank provides interest-free bridge financing.
- 29 Contributions include a basic and variable contribution.
- 30 Deposits are separated into separate deposit categories, each category is charged a different premium rate.
- 31 Funding is split between a management expenses levy and a compensation payments levy. Management expenses is made up of base costs, specific costs and establishment costs. All firms are required to contribute to base costs and establishment costs. For the specific costs and compensation payments, levies are allocated to Contribution Groups. This means that levies are only raised against firms that are authorised to carry out the same type of business as those failed firms that have caused the payment of compensation claims.
- 32 Created by legislation. Member institutions elect the supervisory committee and the managing board. The Minister for Finance approves the President of the managing board.

