

Press release

For immediate release!

CONTINUING CROSS-CONTINENT DIALOGUE

(Budapest, 7th July 2014) **Adaptable lesson learnt of the recent payout cases, as well as experiences of running risk-based premium system were also among the themes of negotiations when Central Deposit Insurance Corporation of Taiwan (CDIC) and the National Deposit Insurance Fund of Hungary (NDIF) today signed the renewal of their Memorandum of Understanding. In spite of the different regulatory environment the almost a decade of professional dialogue resulted numerous valuable experiences for the two deposit insurance schemes which is worth to be continued.**

Formal inter-institutional cooperation of CDIC and NDIF started in 2005 when Memorandum of Understanding was first signed in Budapest. Leaders of the two founding members of the International Association of Deposit Insurers, now a global financial standard setter under the auspices of the Financial Stability Board today reviewed relevant topics of domestic and international banking and regulatory landscape, as well as the underlying challenges of deposit insurers.

Being a risk minimizer, CDIC has been working on upgrading its risk management mechanism, said Chairman Mr. David Sun of CDIC. CDIC modified its risk-based premium system by incorporating the most current risk indicators. It is also enhancing its bank resolution tool by built up new payout system. Learning from NDIF's practical experiences is also valuable to CDIC. Mr. Sun confirmed that the MOU between the two organizations would help CDIC to advance the deposit insurance system in Taiwan.

Particular answers of national regulatory bodies for the challenging market environment, as well as the recently adopted EU Directive creates platforms for exchange of experiences globally. In this period, applicable methods and operational experiences of the CDIC's risk-based premium system provide valuable case to learn from for all those European deposit insurers facing with introducing a harmonized differential premium system, said Andras Fekete-Gyor Managing Director of NDIF.

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