



निक्षेप बीमा और प्रत्यय गारंटी निगम
DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION
(भारतीय रिज़र्व बैंक के संपूर्ण स्वामित्व वाली सहयोगी) Wholly owned subsidiary of the Reserve Bank of India



वेबसाइट : <https://dicgc.org.in/hindi/>

Website: www.dicgc.org.in

ई-मेल/email : dicgc@rbi.org.in

August 23, 2024

International Association of Deposit Insurers (IADI) Asia-Pacific Regional Committee (APRC) International Conference hosted by Deposit Insurance and Credit Guarantee Corporation (DICGC) on August 12-14, 2024, in Jaipur

The DICGC hosted the IADI- APRC International Conference on August 12-14, 2024, in Jaipur. The IADI based in Basel, Switzerland is the global standard-setter for deposit insurance systems. The principal objective of the Conference was to deliberate on the challenges, implications and outlook for deposit insurance and the financial safety net framework in the context of evolving financial landscape and climate-related financial risks, and the overarching significance of crisis preparedness and management policy.

The Conference was attended by distinguished representatives of the IADI and the APRC Secretariat, CEOs and officials of deposit insurance agencies/deposit insurance department in the central bank from 12 countries, eminent speakers, panelists and panel moderators from India and abroad, senior invitees from select major banks in India, senior officials from the Reserve Bank of India (RBI) and DICGC.

Dr. Michael D. Patra, Deputy Governor, RBI and Chairman, DICGC gave his keynote speech on 'Navigating Emerging Challenges for Deposit Insurers and Fortifying Crisis Preparedness'¹. He indicated that the global financial landscape is changing rapidly. Innovations including fast payment systems, central bank digital currencies (CBDCs) and tokenised deposits bring opportunities as well as challenges. While calling for the need for enhanced crisis preparedness that enhance ability to manage the failure of deposit taking institutions, mitigate potential contagion effects, he exhorted financial safety net providers to stay ahead of the curve amidst these tectonic shifts in the financial landscape.

Speakers discussed how technological advances such as distributed ledgers and tokenization are changing money and deposit-taking and highlighted some of the potential challenges and risks; futuristic Developments in Fintech and its impact on deposit insurance and 'Finternet'- a set-up of multiple interconnected financial ecosystems - as the future financial systems.

The first Panel on 'Deposit Insurance in the Digital Currency Era' explored the benefits and challenges of digital innovation, particularly CBDCs, in the context of deposit insurance and financial stability. Second Panel on 'Tokenised Deposits' examined how the unique characteristics of tokenized deposits may require adaptations in the existing deposit insurance frameworks. Third Panel on 'Deposit Insurers and Climate Change-Related Financial Risks' deliberated on ongoing efforts to understand the impact of climate-related financial risks on financial stability and deposit insurance. Fourth Panel

¹ The full text of the keynote speech is available at (https://www.dicgc.org.in/pdf/2024/Publications/Keynote_IADI_APRC2024.pdf).



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on 'Enhancements in Crisis Preparedness and Management Policies for Deposit Insurance: Case Studies from Deposit Insurers' presented case studies from deposit insurers and the RBI.

The second day began with a talk on 'Financial Stability in the Emerging Financial Technology Landscape'² by Shri Swaminathan J, Deputy Governor, RBI. He said *inter alia* that transformations driven by technological innovations, the deepening of financial markets through digital payment systems, and shifting patterns in savings and investment behaviour, are reshaping how financial institutions operate and respond to emerging risks. By adopting a proactive, risk-based approach including enhanced oversight, risk-based premiums, reliance on supervisory ratings, faster claim settlements, and industry collaboration - deposit insurers can effectively manage these risks.

Shri M Rajeshwar Rao, Deputy Governor, RBI gave the valedictory address on 'Deposit Insurance: Keeping Pace with the Changing Time'³. He said given the rapid innovations in the financial services including CBDCs, tokenised deposits or the future financial systems like Finternet, as well as climate change related risks are likely to change the global financial landscape and in turn transform the deposit insurance function. While laying emphasis on prompt claim payment, he suggested to examine economic viability of alternate targeted insurance approach for certain sections of society like small depositors, senior citizens etc.

The Conference ended with the Vote of Thanks by Shri Anup Kumar, Chief General Manager, DICGC.

(Pawanjeet Kaur Rishi)
Deputy General Manager

Press Release: 2024-2025/11

² The full text of the speech is available at

(https://www.dicgc.org.in/pdf/2024/Publications/SpeechBy_ShriSwaminathanJ_DeputyGovernor_RBI.pdf).

³ The full text of the valedictory address is available at

(https://www.dicgc.org.in/pdf/2024/Publications/ValedictoryAddrBy_MRajeshwarRao_DeputyGovernor_RBI.pdf).