



Deposit  
Insurance  
Agency

# EU Directives as a pattern for the Eurasian Economic Union

Nikolay Evstratenko, DIA Russia

EFDI Annual Conference,  
September 3, 2015

[www.asv.org.ru](http://www.asv.org.ru)

# Eurasian Economic Union (EAEU)



May 29, 2014  
January 1, 2015

- Treaty was signed
- Treaty entered into force



**EAEU** Eurasian  
Economic  
Union



Armenia



Belarus



Kazakhstan



Kyrgyzstan



Russia





- The Eurasian Economic Union is an international organization for regional economic integration
- The EAEU provides for free movement of goods, services, capital and labor, pursues coordinated, harmonized and single policy in the sectors determined by the Treaty and international agreements within the Union
- The Member-States of the EAEU are Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia
- The EAEU was created to comprehensively modernize, raise the competitiveness of and cooperation between the national economies, and to promote stable development in order to raise the living standards in the Member-States



## Key areas of harmonization of legislation and practices:

- Customs Union
- Foreign trade policy
- Common economic space:
  - macroeconomic policy
  - monetary policy
  - regulation of financial markets
  - taxation, competition, consumer protection, technical regulation, energy industry, transport, government procurement, intellectual property, manufacturing industry, agricultural sector and labor migration, etc.



## Harmonization of regulation of financial markets (by 2025):

- **Banking sector** (regulation and supervision – on the basis of best international practices and BCBS Core principles for effective banking supervision; deposit insurance, recovery and resolution of depository institutions, etc.);
- **Insurance sector** (regulation and supervision – on the basis of best international practices and IAIS Insurance core principles, standards, guidance and assessment methodology; methods, procedure and conditions of liquidation of insurance undertakings...);
- **Securities market** (regulation of and supervision over the securities market – on the basis of best international practices and principles of IOSCO и OECD; procedure, methods and terms of liquidation or reorganization of professional securities market participants)
- **Audit services** (on the basis of International Auditing Standards)



- **Establishment and functioning of deposit insurance systems**
  - including the coverage limits
- **Procedures for financial rehabilitation and bankruptcy of credit institutions**
  - including regulation of creditor rights, priority of claims

# Mandates of Deposit Insurers in EAEU Member Countries



Country	Mandate
Armenia	Pay-box
Belarus	Pay-box
Kazakhstan	Loss minimizer
Kyrgyzstan	Pay-box
Russia	Loss minimizer

# Coverage limits in EAEU Member Countries



Deposit  
Insurance  
Agency



Country	In national currency	In Euro	In GDP per capita
Armenia	4 million dram (2 million dram for deposits in foreign currencies)	€7,350 (€3,675 for deposits in foreign currencies)	1.0
Belarus	Unlimited	Unlimited	N/A
Kazakhstan	10 million tenge	€37,050	2.3
Kyrgyzstan	100 thousand som	€1,430	0.5
Russia	1.4 million rubles	€18,700	1.7



# Timing of Reimbursement of Insured Depositors



Country	Payouts start within
Armenia	30 calendar days
Belarus	14 working days
Kazakhstan	14 working days
Kyrgyzstan	60 calendar days
Russia	14 calendar days

# Premiums in EAEU Member Countries' DISs



Deposit  
Insurance  
Agency



Country	Premium rate (per annum)
Armenia	0.2%
Belarus	1.2%
Kazakhstan	0.16% – 2.0% (risk-based)
Kyrgyzstan	0.2%
Russia	0.4% – 1.0% (risk-based)



- Coverage (scope and amount)
- Reimbursement timing (benchmarks: DGSD and IADI Core principles)
- DIF target ratio
- Premiums (differential)
- Governance (not regulated by DGSD)
- Etc. (benchmarks: DGSD and IADI Core principles)

- Practical example of harmonization of national DGSs and bank resolution regimes
- Role of DGSs is substantially improving
- Systematic approach (DGSD and BRRD were discussed and approved simultaneously)
- The reforms were based on serious analysis of pros and cons
- The reforms are phased-in...

Thank You!