FINANCIAL STABILITY FORUM

5 March 2001

Working Group on Deposit Insurance

Progress Report

Note for FSF meeting on 22/23 March 2001

Executive Summary

- The discussion papers on guidance topics will be completed by April 2001. Drafting of the report will begin thereafter.
- The outreach activities will be completed by the end of April.
- The final report of the Working Group will be presented to the FSF for consideration at its September meeting.

1. Background

In April 2000, the Financial Stability Forum established a Working Group on Deposit Insurance (the "Working Group"). The Working Group's mandate (for a list of members see Annex A) is to develop guidance on sound deposit insurance arrangements. The mandate also specifies that the "development of the guidance should be undertaken through a consultative process that would include other countries that are interested in deposit insurance issues, so as to ensure that the guidelines are reflective of, and adaptable to, the broadest set of circumstances, settings and sound structures." The focus of the Working Group's efforts is on providing policymakers with tools to self-assess their particular deposit insurance needs.

The Working Group's activities provide countries around the world with information about deposit insurance practices. As demonstrated in the outreach sessions, policy makers in a number of countries and regions (Korea, Ukraine, Hong Kong, etc.) are using the Working Group's self-assessment methodology as they develop their own deposit insurance systems. They are also commenting extensively on the Working Group's discussion papers and attending outreach sessions and conferences to gather information and to speak with practitioners from other countries.

2. Approach

The Working Group is taking a flexible approach to the development of guidance on deposit insurance, as required by its mandate. The guidance will identify: (1) the issues associated with deposit insurance; (2) the options available to policymakers to self-assess and to address those matters; and (3) the trade-offs involved in choosing particular approaches through the identification of trade-offs. The Working Group recognizes that the roles and responsibilities assigned to a deposit insurer must reflect local conditions and that there is no single combination of elements that is right for every country. In deciding whether or not to establish a deposit insurance system and, if yes, which combination of elements to adopt, each country will need to

do its own situational analysis, which will include an assessment of its institutional environment. Outreach session participants and commentators have embraced this approach.

The level of attendance and the feedback received from participants at the outreach sessions and conferences confirm that there is a need for guidance on deposit insurance. Countries are looking for: (1) guidance on specific topics (e.g. differential premiums, funding options, innovative techniques for reimbursing depositors); (2) the opportunity to access research and the expert opinions of other practitioners; (3) the opportunity to exchange ideas and (4) the opportunity to know "who to call" when difficult issues arise.

3. Process for Investigating Guidance Topics

As outlined in the September 2000 Interim Report, sixteen sub-groups have been created to examine specific topics on deposit insurance and produce business plans and discussion papers. The discussion papers draw on the existing academic research, examine the elements of effective deposit insurance systems and discuss the trade-offs and implications associated with particular approaches to deposit insurance.

A Working Group member leads each sub-group and a research committee composed of officials from the Federal Deposit Insurance Corporation (FDIC) and Canada Deposit Insurance Corporation (CDIC) provides support. The focus for each sub-group is articulated in a business plan outlining the paper's objective and the methods used to generate feedback. The Working Group's Web site, seminars and conferences are the main vehicles being used for consultation and validation of the discussion paper subject matter. Comments received have provided constructive feedback, valuable insights into the variety and dimensions of deposit insurance issues, and the discussion papers are a catalyst for exchanges between practitioners.

There are some issues that the Working Group will need to address over the next few months as it prepares the final report, given the nature and scope of the discussion papers. Thus far, the Working Group has demonstrated its ability to achieve consensus and we expect that this will continue.

At the present time, there are six draft discussion papers available on the Working Group's Web site for comment; along with feedback from commentators. The development of the guidance topics continues to progress and all of the guidance topics are expected to be available for consultation on the Working Group's public Web site by the end of April.

4. Guidance Topics

The guidance topics are outlined below.

i) Public-Policy Objectives for Deposit Insurance Schemes

This paper notes that countries use a variety of public-policy objectives for their deposit insurance schemes. After consultations and analysis, the Working Group has identified a number of common public-policy objectives that may be classified under three broad categories: 1) contributing to financial system stability; 2) protecting less-financially sophisticated depositors; and 3) other public-policy objectives. Although certain commonalties do exist, analysis suggests that countries interpret and implement their public-policy objectives in ways that match their own circumstances. Policymakers should endeavor to understand the tradeoffs and implications associated with particular public policies, and structure their deposit insurance system accordingly. A process to continuously monitor and adjust the deposit insurance system may be necessary to ensure the system remains consistent with its environment.

ii) Options for Addressing Moral Hazard Issues

Moral hazard is inherent in all kinds of deposit protection arrangements, as is true of other insurance settings. Greater efforts to contain its effects are needed in many countries if deposit insurance is to be effective. Various methods are available for this purpose, which may be grouped under three headings: good corporate governance and management of individual institutions; market discipline exercised by uninsured depositors and other creditors; regulatory discipline exercised by supervisors and supported by an effective deposit insurance system.

All of the methods of controlling moral hazard have potential advantages and disadvantages. Choices among them generally involve trade-offs among competing public-policy objectives and risks, and reflect a variety of factors existing in a particular country. Thus, in choosing among methods of reducing moral hazard, policymakers may wish to consider: (a) the primary objectives of deposit insurance in their country; (b) the conditions that determine the effectiveness of particular methods of curtailing moral hazard; (c) the ability of the country to meet these conditions; and (d) progress in filling currently gaps in the country's ability to implement particular methods. Decisions relating to the design of deposit insurance systems need to take these considerations into account.

iii) Situational Analysis, Conditions and Implementation Considerations

This paper emphasizes the importance of conducting a comprehensive situational analysis when considering the introduction of a deposit insurance system or plans to alter existing deposit

protection arrangements. In conducting such an analysis, the economic and institutional conditions and their effect on the alternatives available for a deposit insurance system must be considered. Among the conditions that should be taken into consideration in the establishment of an effective deposit insurance system are the state of the economy, the structure and state of the financial system, the legal framework, the state of prudential regulation and supervision, as well as accounting and disclosure regimes. Although it is understood that in many cases conditions are not perfect, it is important to have a process to evaluate the deposit insurance alternatives available and how they are affected by the economy and institutional structure of the country. Through a situational analysis, gaps between existing conditions and more desirable situations can be identified.

iv) Special Considerations when Transitioning

This paper addresses the experiences of countries that have sought to make a transition from a blanket guarantee to a limited-coverage deposit insurance system and emphasizes the trade-offs associated with various approaches to the challenge. Rather than being a theoretical framework, the aim of the paper is to produce general guidelines on transition issues based upon the experiences. The paper assumes that any country undergoing or considering a transition to limited-coverage deposit insurance will establish clear public-policy objectives for the system and will conduct the appropriate situational analyses.

v) Membership

This paper focuses on the considerations for determining membership, the kinds of deposit-taking institutions that are typically members of a deposit insurance scheme; whether membership should be compulsory; and the basis for granting membership. The paper also provides a number of observations about membership in a deposit insurance scheme and offers some conclusions.

vi) Coverage

The scope of deposit insurance coverage and its limits depend on a country's willingness and ability to balance the objective of achieving financial stability with the introduction of incentives for depositors to exercise some discipline. Deciding on what to cover and where to set the limits involves trade-offs between these objectives. Coverage that is set too narrowly and limits that are set too low will fail to prevent bank runs, while coverage that is set too broadly and limits that are set too high will eliminate any incentive depositors may have to monitor bank risk-taking.

vii) Funding

Sound funding arrangements are critical to the design and operation of an effective deposit insurance system and the maintenance of public confidence. To be effective, a deposit insurance system should include the mechanisms necessary to ensure that adequate funds are available to reimburse depositors promptly in the case of the failure of one or more institutions and to cover the system's resource needs. Inadequate funding can lead to delays in resolving depositor claims and to increased costs. The design of a deposit insurance system's funding arrangements also will affect when and by whom the costs of deposit insurance are borne.

Funding for a deposit insurance system can be obtained on an *ex-ante* or an *ex-post* basis, or through a combination of these two approaches. Whether one method is preferred over another will depend, in part, on how the advantages and disadvantages of each approach are viewed in the context of the system's design and public-policy objectives. This paper examines these approaches and additional funding issues that should be considered by policy makers.

viii) Reimbursing Depositors

A basic function of all deposit insurance systems is to reimburse depositors promptly for the losses they would otherwise suffer when a financial institution closes. As a result, depositors are relieved of both the recovery-rate and time risks of a liquidation process up to the insured level of their deposits. Reimbursements to depositors—including the speed and convenience of payment—vary across countries, and can affect public confidence in the capability of the deposit insurance system. This paper addresses the factors related to the reimbursement process, discusses the advantages and disadvantages of various approaches, and provides observations for deposit insurers to consider.

ix) Depositor Priority and Rights of Set-Off

The ranking of depositors among the creditors of failed deposit-taking institutions in insolvency can vary widely among countries. In some countries, depositors have priority over all other claimants in insolvency, while in other countries depositors may rank equally with other creditors. Arrangements for rights of set-off (netting) and the collateralization of claims can also vary considerably between countries. These can have a significant influence on the cost of providing deposit insurance and can influence the behavior of the deposit insurer, other financial safety net players, deposit-taking institutions, depositors and other creditors.

The paper identifies the relevant issues associated with depositor priority, rights of set-off and the collateralization of claims for deposit insurance systems; examines the advantages,

disadvantages, and trade-offs associated with various approaches; and provides guidance with respect to these issues.

x) Structure and Organization

Structure and organization is an important factor determining the effectiveness of a deposit insurance system in meeting its public-policy objectives. Structure and organization involves an examination of a number of issues such as a deposit insurer's mandate, roles and responsibilities, governance arrangements, human resources and other operational factors.

Mandates can vary widely among deposit insurance systems. In order to discharge its mandate effectively, a deposit insurer should have access to requisite information on its member institutions. With respect to governance arrangements, choices can be influenced by factors such as the mandate and the degree to which the deposit insurance organization is legally separated from the other organizations comprising the financial safety net or having an interest in deposit protection and financial sector stability. Governance systems can be enhanced through the use of sound strategic and risk management processes and good internal control and audit systems. Arrangements should also be made to ensure that the governing structure is accountable and transparent. Human resources and other operational issues are also important elements of structure and organization.

The issues to be addressed in this paper include attracting and retaining qualified employees, deciding upon the appropriate mix between regular employees and outsourced human resources, ensuring the confidentiality of information supplied to employees, and providing employees with protection against lawsuits for actions in the normal course of their activities.

xi) Public Awareness

Public awareness is a factor often overlooked in deposit insurance system design. For a deposit insurance system to be effective, the public must be informed about the benefits and limitations of the scheme. Public awareness is particularly important for newly established deposit insurance systems. Although the costs of informing the public may be considerable, the need for public awareness should not be underestimated.

Many countries with established systems have widely publicized the terms and conditions of deposit insurance coverage to ensure depositors awareness to limit the probability of bank "runs" in the event of a bank failure. It is also important to make sure that depositors are aware of

coverage limitations regarding amounts and account types to avoid the presumption that all deposits – or other financial products - are protected.

xii) Interrelationships Between Financial Safety-Net Players

Deposit insurance is only one component of the financial safety net, which also includes prudential regulation and supervision and the lender of last resort. On the basis of a country's political, historical, economic and financial situation, the characteristics of the interrelationships among the central bank, the supervisory agency and the deposit insurer can vary significantly.

In order to design an effective deposit insurance system that contributes to a satisfactory financial safety net, good cooperation among the various agents is essential. Information sharing and coordination are particularly relevant, and explicit arrangements should be designed to avoid (or minimize) the consequences of tensions among and between safety-net players. The more complex the financial safety-net set-up is, the more relevant the "interrelationships issue" becomes. This paper will outline techniques, such as legislative provisions and memorandum of understanding to facilitate communication among safety-net players.

xiii) Powers

The responsibilities and associated powers of deposit insurers vary greatly and depend, to a large extent, on the public-policy objectives and mandates established for them. Some deposit insurers serve only to pay out depositor claims once a financial institution has been declared insolvent, while others may serve as the receiver and liquidator of failed institutions. Still other deposit insurers have the role of minimizing their risk and/or of supervising the institutions they insure.

At a minimum, however, all deposit insurers need certain powers to ensure that they can meet their obligations to depositors in a timely fashion. There must be a direct link between the stated public-policy objective and the mandates, roles and responsibilities of the deposit insurance system. This paper discusses the issue of powers related to deposit insurance systems and examines the factors that can influence decisions on the granting of specific powers to deposit insurers.

xiv) Intervention and Failure Resolution

An important element in an effective deposit insurance system is the capacity and willingness of the banking authorities to intervene on a timely basis in the operations of troubled banks. The purposes of such intervention are to help restrain excessive bank risk taking, avoid the failure of the institutions, and minimize resolution costs if a bank fails. The responsibility for early intervention generally resides in the country's supervisory authority. The role of deposit insurers

varies widely among different countries, from minimal responsibilities in pay-box systems to more substantial responsibilities in some risk-minimizing systems.

Also critical to an effective deposit insurance system is the timely and effective resolution of failed institutions. Honoring its obligations to insured depositors is a fundamental responsibility of the deposit insurer. However, this goal can be achieved through a number of resolution strategies that have varying effects on the costs to the insurer and/or government, moral hazard, the banking structure, and the economy. The roles and responsibilities of deposit insurers, other safety-net participants, and the legal system in the resolution of failed banks also vary considerably among countries.

This paper will focus on what role a deposit insurer might play in relation to intervention and failure resolution.

xv) Claims and Recoveries

An essential function of most deposit insurance systems is the protection of eligible deposits in the event an insured financial institution defaults or cannot repay its liabilities as they become due. This function may include reimbursing eligible deposits, or, in an effort to preserve going-concern value, providing financial assistance, such as loans and guarantees to facilitate a merger, acquisition, or re-capitalization. As a consequence, or as a part of these actions, a deposit insurer may become a creditor, secured lender, guarantor, owner of a claim in a liquidation, liquidator or a receiver to deal with the winding-up and liquidation of a non-viable financial institution. The paper focuses on the deposit insurer's role in relation to claims and recoveries activities, the key objectives, priorities, and trade-offs in the design of an effective approach for dealing with a deposit insurer's interests and ways to optimize recoveries.

xvi) Cross Border Issues

Although deposit taking is still primarily a domestic business, cross border and regional issues are becoming more important. In some countries cross-border considerations already play a considerable role for the setting up and the redesign of deposit insurance arrangements - for example, where there is a strong presence of foreign bank branches. Furthermore, in weak banking systems, and especially after a crisis, the outflow of deposits to neighboring countries may have to be considered when setting up or reforming deposit insurance arrangements. In closely integrated regions, as in the European Union, there are special considerations when a deposit protection system is being set up or reformed.

The paper will draw on the guidance being developed in other topic areas that deserve special attention in the context of cross border and regional considerations. Relevant issues include aspects of membership, coverage and funding as well as interrelationships with other financial safety-net players. These issues arise especially in two circumstances: (a) the banks collect deposits from residents in foreign countries using the possibility to freely provide services on a cross-border basis; (b) the banks operate branches in foreign countries that offer deposits to local residents. Bank subsidiaries located in foreign countries are usually treated as local banks and will not be the focus of this paper

5. Outreach

The Working Group has been active in providing opportunities for people interested in deposit insurance issues to engage in a dialogue and benefit from the experience of others. The Group has met with 325 representatives of 81 countries, of which 49 countries have attended outreach sessions and conferences since our last report (see Annex B). In addition to the presentations by Working Group members, there have been over 90 presentations from individuals who were not directly associated with the Working Group. The Working Group's public Web site includes copies of presentations that were delivered, the text of the remarks provided by many of the speakers, and videos for each conference. Over the next two months, the Working Group will hold additional outreach sessions to reach countries that have not yet participated in the consultations (Annex C provides details).

The process consists of a two-day Working Group meeting hosted by one of its members, an outreach session with deposit insurers in the region, and a two-day conference on specific guidance topics. The outreach sessions and conferences have been financially supported by the host Working Group members and the Financial Stability Institute (FSI). As well, the Working Group has been cooperating with the regional development banks to give them an opportunity to participate in the process.

At the time of the September 2000 update, we reported that five outreach sessions had been held. Since then, the Working Group has hosted or been involved in five additional outreach sessions and conferences.

A Working Group meeting and a conference sponsored by Instituto para la Proteccion al Ahorro Bancario (IPAB) were held in October in Mexico with Caribbean and Latin American countries. The conference presentations covered problem-bank restructuring, transitioning from a blanket guarantee and funding issues. Countries from the region were encouraged to attend by the Inter-American Development Bank (IADB) who also participated in the session. There was also a one-

day meeting arranged between members of the Working Group and elected officials from the Mexican legislature.

On October 30, 2000, the Chairman of the Working Group participated in a videoconference at The World Bank, which was broadcast to government officials in China, Indonesia, Korea, Thailand, Vietnam, Poland, Romania, Ukraine, the Russian Federation, and Bosnia.

In November, the National Deposit Insurance Fund of Hungary (NDIF), a member of the Working Group, organized a roundtable session with deposit insurers from central and Eastern Europe. That session provided an opportunity for the Working Group to obtain feedback from Bulgaria, Croatia, Lithuania, Poland, Slovakia and Ukraine on guidance topics covering membership, coverage, funding, public awareness and interrelationships among financial safety-net players. The FSI and the European Bank for Reconstruction and Development sponsored a conference that focused on issues related to implementation, coverage and experiences of "busy" deposit insurers from the region as well as on a comparative analysis of deposit insurance arrangements between Latin America and central and Eastern Europe.

A conference was held at the Federal Reserve Board of Chicago in December that focused on gaining the perspective of the academic community. This conference discussed the four policy-related areas: Public Policy Objectives for Deposit Insurance Schemes, Options for Addressing Moral Hazard, Situational Analysis, Conditions and Implementation Considerations and Transitioning from Blanket Guarantees to Limited Coverage Deposit Insurance.

Many interesting comments were heard in Chicago. For example, the academic community stressed that the Working Group should be "bold and prescriptive" and several arguments were made that implicit systems may, in certain circumstances, be preferable to explicit systems. In response, the Working Group referred back to its mandate respecting explicit systems and noted that it was for "others" to offer advice about whether countries should adopt an explicit deposit insurance system. Indeed, the academic community was encouraged to participate in the process and to investigate key features (e.g. funding, enhancing corporate governance and risk-based premiums) of deposit insurance systems.

In January, the Philippine Deposit Insurance Corporation (PDIC), another member of the Working Group, facilitated a conference in Malaysia that included presentations by officials from Korea, Malaysia, Thailand, India, the Philippines, Hong Kong Monetary Authority, Taiwan Indonesia and Japan. Presenters from the region provided their views on the guidance topics as well as insights on their responses to the Asian financial crisis. The FSI undertook the funding

for the conference and the Asian Development Bank (ADB) assisted with the original venue and provided names of possible attendees, while SEACEN (South East Asia Central Banks) facilitated the logistical arrangements. A number of presenters and country representatives commented on the usefulness of the guidance and said they are finding the approach to be highly beneficial in developing their own work.

In March, the Working Group will be holding outreach sessions in Berlin with countries from the European Economic Area and Switzerland, at the OECD for countries from central Asia, Azerbaijan and Mongolia and then in Buenos Aires with central bank governors from Latin America.

In addition, the Working Group has been actively promoting its public Web site (http://www.cdic.ca/international) where the research papers are published. Messages via email are regularly sent to over 600 individuals and there have been 38,000 visits to the site (from mid-June through to the end of January). Hits to the Web site have averaged 8,000 a month during the past three months.

6. Final Report

The final report will be based on the Working Group's analysis as presented in the discussion papers outlined above and on comments received from outreach participants; it will be presented at the Financial Stability Forum meeting in September 2001. It is anticipated that the guidance will be composed of general principles, design features, guidelines, and practices and explain the trade-offs that are necessary to establish an effective explicit deposit insurance system.

7. Conclusion

Work is progressing and the main focus has been to develop major discussion papers and holding outreach sessions. Both of these activities are in their final stages and should be completed by the end of April. The rest of the time will be required to draft the report, resolve any outstanding issues and consult on the report. Finally, we are confident that the report will be completed by August.

8. Critical Path

Date	Deliverable
March, 2001	Progress Report to FSF
April	Completion of discussion papers, outreach activities and draft outline of final report
May	Public consultation period on discussion papers
May /June	Drafting of the report
June	Final Working Group meeting
July	Consultation on draft report
August	Report to FSF

ANNEX A

Members of FSF Working Group on Deposit Insurance

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Mr. Carlos Isoard, Member of the Board of Governors

Mr. Julio César Mendez, Executive Secretary and CEO

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Ms. Donna A. Tanoue, Chairman

Mr. Christie Sciacca, Associate Director

Mr. George Hanc, Associate Director

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Mr. David S. Hoelscher, Division Chief

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Ms. M. Claudia Morrow, Corporate Secretary

Secretary to the Working Group

Mr. John Raymond LaBrosse, Director, International Affairs (CDIC)

Executive Director of the Working Group

Financial Stability Forum

Mr. Pierre Cailleteau</td></tr>
<tr><td colspan="2"><u>Research Committee:</u>

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Mr. David Walker (CDIC) — Ms. Rose Kushmeider (FDIC)
Ms. Detta Voesar, (FDIC) — Mr. Greg Cowper (CDIC)</td></tr>
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ANNEX B

Countries that have been Represented at Outreach Sessions since the September 2000 FSF Working Group Interim Report

Albania	Estonia	Panama
Armenia	Greece	Poland
Austria	Hong Kong, SAR	Romania
Bahamas	Iceland	Russian Federation
Barbados	India	Slovakia
Belgium	Indonesia	South Africa
Bolivia	Ireland	Spain
Bosnia & Herzegovina	Korea	Sweden
Brazil	Kyrgyz Republic	Taiwan
Bulgaria	Latvia	Thailand
Cambodia	Lithuania	Trinidad & Tobago
China	Luxembourg	Ukraine
Columbia	Macau, SAR	United Kingdom
Croatia	Macedonia	Venezuela
Czech Republic	Malaysia	Vietnam
Denmark	Mongolia	Yugoslavia
El Salvador	Norway	

Organizations which have Assisted in Sponsoring or Promoting the Outreach Sessions and Conferences

Asian Development Bank

Banca d'Italia (April)

Bank for International Settlements (BIS)

Canada Deposit Insurance Corporation

Canadian Bureau for International Education

Common Market for Eastern and Southern Africa (April)

European Bank for Reconstruction and Development (EBRD)

Federal Reserve Bank of Chicago

Financial Stability Institute (FSI)

Inter-American Development Bank (IADB)

Instituto para la Proteccion al Ahorro Bancario (IPAB), Mexico

Inter-American Development Bank (IADB)

Ministry of Finance, Germany (March)

National Deposit Insurance Fund of Hungary (NDIF)

Organization for Cooperation and Development (March)

Philippine Deposit Insurance Corporation (PDIC)

Seguro de Depositos Sociedad Anonima, Argentina (March)

South East Asian Central Banks (SEACEN))

The World Bank

ANNEX C

Consultation Activities

As of March 1, 2001 ten outreach sessions have been held. These consultations have provided useful comments on substantive issues being addressed in the discussion papers (see Annex B for the list of countries that have been involved in outreach activities).

Since the September 2000 Interim Report of the Working Group was sent to the FSF the following activities have been completed:

Oct. 2-5, 2000	Working Group meeting in Mexico, which included an outreach session with deposit insurers from the Caribbean and Latin American region and a seminar hosted by IPAB.
Oct. 30, 2000	The Chairman of the Working Group participated in a World Bank videoconference that was broadcast to government officials in China, Indonesia, Korea, Thailand, Vietnam, Poland, Romania, Ukraine, Russian Federation and Bosnia.
Nov. 13-17, 2000	Working Group meeting in Hungary, which included a round table session with deposit insurers from central and Eastern Europe, and a seminar sponsored by the FSI and the EBRD.
Dec 12, 2000	Conference at the Federal Reserve Bank of Chicago that provided the Chicago area academic community with an opportunity to comment on the policy discussion papers.
Jan. 15-19, 2001	Working Group meeting in Malaysia, which included a conference organized by the PDIC, FSI and the ADB.

The following activities have been scheduled:

March 6-7	Outreach in Berlin hosted by the German Ministry of Finance with countries from the European Economic Area and Switzerland.
March 9	OECD Fifth Conference on Financial Sector Development in the Central Asian Countries, Azerbaijan and Mongolia.
March 12-15	Working Group meeting in Argentina, including an outreach session with central bank governors from Latin America in advance of The Third Symposium on Deposit Insurance organized by Seguro de Depositos Sociedad Anonima, Argentina.
April 17-20	Working Group meeting in Italy and outreach session with African and Middle East countries.

ANNEX C

April 28-30	Presentation at the First Meeting of Bank Supervisors in the Common Market for Eastern and Southern Africa in Lusaka, Zambia
June 18-22	Final Working Group meeting in Chile.