

**Order N ---**  
**of the Head of the Legal Entity of Public Law – Deposit Insurance Agency**  
**28 December 2017, Tbilisi, Georgia**

**On Approving the Instruction for Provisioning of Information on Deposit Insurance System to Current and Potential Clients by Commercial Banks**

In accordance with sub-paragraph “j.i” of Article 6.6 of the Law of Georgia Deposit Insurance System, it is hereby ordered:

Article 1. To approve the Instruction for Provisioning of Information on Deposit Insurance System to Current and Potential Clients by Commercial Banks, as annexed hereto.

Article 2. This Order shall become effective upon its signing.

*Head of the Agency*

*Otar Dzidzikashvili*

## **Instruction for Provisioning of Information on Deposit Insurance System to Current and Potential Clients by Commercial Banks**

### **Article 1. Scope of the Instruction**

This Instruction prescribes the content and the scope of information on deposit insurance, which commercial banks are obliged to provide to their current and prospective clients (hereinafter - „Client“) in a standardized and uniformed manner.

### **Article 2. General Provisions**

1. Commercial banks shall provide to the Clients information on deposit insurance that is necessary, easily comprehensible, timely, correct and complete. Such information shall be accurate and shall not mislead the Client.
2. The information referred to in paragraph 1 hereof shall not be communicated in a way that can negatively affect the depositors' confidence in the banking system.

### **Article 3. Definitions**

Unless otherwise defined herein, all terms used in this document shall be used with the meaning ascribed to them under the Law of Georgia on Deposit Insurance System and the Law of Georgia on the Activities of Commercial Banks.

### **Article 4. Obligations of the Deposit Insurance Agency with regard to Provisioning of Information by Commercial Banks in a Standardized Manner**

1. In order to inform the Clients on deposit insurance, the legal entity of public law – Deposit Insurance Agency (hereinafter – the “Agency”) shall prepare a leaflet (brochure) with information on the deposit insurance in Georgia and on the method of the insured depositors' pay-out in case of occurrence of an insured event in a commercial bank.
2. The Agency shall produce and distribute leaflets referred in paragraph 1 above to all commercial banks.
3. The Agency shall provide commercial banks with posters on information on deposit insurance system in Georgia to be posted in banks' branches and premises.
4. The Agency shall provide commercial banks with its logo stickers to be posted on banks' branches' and premises' entrance.

5. For the purpose of providing information to the Clients on deposit insurance system, the Agency shall provide the communication materials to the commercial banks in the form of a frequently asked questions.
6. The information materials provided under paragraphs 1 through 4 of this Article 4 shall be sent by the Agency to all commercial banks
7. Upon request of a commercial bank, the Agency shall provide trainings on deposit insurance.

#### **Article 5. Liabilities of Commercial banks in Providing Information to the Clients**

1. Commercial bank is obliged to inform the Client on the deposit insurance system and provide information in accordance with the requirements of this Instruction and the Law of Georgia on Deposit Insurance System.
2. With the purpose of providing information to the Clients on deposit insurance system, commercial bank shall:
  - a) permanently make information on deposit insurance available at its branches and representative offices;
  - b) place posters on deposit insurance at its branches and representative offices;
  - c) place a logo of the Agency at the entrance doors of its branches and representative offices;
  - d) provide information to the Clients in line with this Instruction;
  - e) send out information to the Clients on deposit insurance system through electronic means of communication (notification to the e-mail indicated by the Client and through internet banking system), as provided in Annex 1 hereof;
  - f) ensure integration of the information on deposit insurance system in its deposit and current account agreements, as provided in Annex 1 hereof.
3. The commercial bank is obliged to distribute the leaflets, posters and the Agency's logo stickers to all its branches and premises that are used for working with Clients.
4. Commercial bank is obliged to display the leaflets in its branches and representative offices where they can easily be seen by the Clients.
5. Commercial bank shall be obliged to post posters on deposit insurance in their branches and representative offices and to place the Agency's logo on the entrance door of its branch or representative offices.
6. The commercial bank shall provide verbal information included in Annex 1 of this Instruction to the Client. If the Client requests additional information going beyond the data included in Annex 1 and Paragraph 5 of Article 4 of this Instruction, the commercial

bank shall provide the contact data of the Agency to the Client to enable the latter to receive the information of his/her interest.

7. The commercial bank shall place standardized information on deposit insurance system on its web-page in the section of deposit products, in accordance with Annex 2 of this Instruction.

#### **Article 6. Scope of Using the Information on Deposit Insurance**

1. In their advertising / media appearances (print, TV, radio, website etc.), commercial banks are allowed to refer to the fact of their participation in the deposit insurance system only.
2. The wording of the reference included to in Paragraph 1 of this Article is given in Annex 3 of this Instruction.

#### **Article 7. Liability**

In case of any identified irregularities and violations of this Instruction by the Agency, the latter shall be authorized to consider sanctioning of the commercial bank, as provided under the Law of Georgia on Deposit Insurance System.

## **Annex 1.**

The text for providing information on deposit insurance system by commercial banks to the Clients:

*“As of 1 January 2018, in accordance with the Law of Georgia on Deposit Insurance System, all sums existed at all accounts of natural persons, regardless number of accounts, are insured for each bank and are compensated by the Deposit Insurance Agency up to the 5,000 GEL; the remainder shall be compensated as provided under the effective legislation of Georgia. For more information on deposit insurance system, see web site of LEPL Deposit Insurance Agency: [www.diagency.ge](http://www.diagency.ge) ”*

- **What sum shall be compensated by the Agency if an insurance event occurs?**
  - The sums existed on all accounts maintained at one and the same commercial bank (including the foreign currency accounts) shall be aggregated and the Deposit Insurance Agency shall compensate maximum 5,000 GEL. Where the sum exceeds 5,000 GEL, the remainder shall be compensated as provided under the effective legislation of Georgia.
- **How can I benefit from deposit insurance?**
  - All amounts at all accounts of natural persons maintained at any commercial bank in Georgia shall be automatically insured without any additional payment.
- **Terms for pay-out in case of an insurance event**
  - Maximum 20 (twenty) calendar days after occurrence of relevant insurance event, notwithstanding whether the commercial bank has enough resources at a given point in time.
- **Currency of pay-out** – Georgian Lari.

## **Annex 2.**

According to this Instruction, the commercial bank is obliged to provide the following information on its web-page:

*“As of 1 January 2018, the Bank is a member of a deposit insurance system established in Georgia in accordance with the Law of Georgia on Deposit Insurance System, whereas in case of insurance event, each individual depositor is entitled to receive a compensation from the Deposit Insurance Agency, up to the maximum insured amount of 5,000 GEL, regardless of the number of deposit accounts kept in each individual bank operating in the territory of Georgia. The remainder shall be compensated as provided under the effective legislation of Georgia.*

*For more information on deposit insurance system, see web site of LEPL Deposit Insurance Agency: [www.diagency.ge](http://www.diagency.ge) ”*

**Annex 3.**

According to this Instruction, the commercial bank is allowed to use the following information in its marketing materials:

*“Bank is a member of a deposit insurance system established in Georgia in accordance with the Law of Georgia on Deposit Insurance System.”*