



SOUTH AFRICAN RESERVE BANK

**CODI**

Corporation for Deposit Insurance

# CORPORATION FOR DEPOSIT INSURANCE

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## What is the Corporation for Deposit Insurance?

The Corporation for Deposit Insurance (CODI) is South Africa's Deposit Insurance Scheme (DIS), created, or mandated by law, to protect qualifying bank depositors in the event of their bank failing. CODI is a subsidiary of the South African Reserve Bank (SARB).

### Why do we need deposit insurance?

While South Africa has a resilient financial sector, deposit insurance brings further confidence and stability to the sector. In the past, when a bank failed the government used taxpayers' money to compensate depositors on a case-by-case basis. With deposit insurance, qualifying depositors will be given reasonable access to their covered deposits should their bank fail. More than 100 countries in the world have a DIS similar to the one South Africa has adopted.

### Do I need to pay CODI to be covered?

No. Depositors will not make any payments to CODI for deposit insurance protection. CODI will establish and build a Deposit Insurance Fund (DIF) with financial contributions from member banks.

## What is the maximum limit of cover?

Qualifying depositors are covered up to a maximum amount of R100 000 per depositor per bank. The R100 000 coverage limit includes both the principal amount of a deposit and interest. A total of 97% of the country's depositors will qualify for depositor protection.

## Can I purchase additional protection if my deposit amount at a single bank is more than R100 000?

No. Qualifying depositors cannot buy extra deposit insurance cover when they have deposit balances of more than R100 000. In the case of a failed bank being liquidated, any balance above R100 000 will remain in the estate of the failed bank. The qualifying depositor can then claim that balance from the estate of the failed bank, which will be handled by the liquidator.

## Which banking products are covered by CODI?

CODI protects banking products where the nominal balance is guaranteed and repayable at par. This means that CODI protects banking products where the depositor is entitled to the full account balance as at a specific date. Qualifying products typically include, but are not limited to, the following account types:

Current accounts	Transactional accounts
Term and notice accounts	Islamic Wadi'ah product
Savings accounts	Islamic Qard product
Islamic Murabaha products	Tax-free savings accounts

## Which types of deposits are not protected by CODI?

CODI will not cover:

- deposits by banks;
- deposits by the non-bank private financial

sector, including money market unit trusts, non-money market unit trusts, insurers, pension funds, fund managers and other private financial corporate sector institutions;

- deposits by government institutions, including local, provincial and national government, public financial sector entities, the Public Investment Corporation (PIC), the Corporation for Public Deposits (CPD), other public non-financial corporations and monetary authorities;
- accounts where the capital amount is not guaranteed and not repayable at par, such as investment accounts in unit trusts and shares;
- holdings of commodities; and
- electronic money products.

### **Do I have to register to be covered by CODI?**

No. CODI's protection is automatic, so depositors do not have to apply. By law, banks will provide depositors' information to CODI. Typically, the depositors who qualify for deposit insurance protection include:

- individual depositors, including minors;
- non-financial corporate depositors, including sole proprietors;
- foreign individual and non-financial corporate depositors;
- deceased qualifying depositors;
- charitable or non-profit organisations;
- religious entities;
- trade unions; and
- consumer associations.

### **Which banks are members of CODI?**

By law, all banks registered in South Africa are members of CODI. These include all commercial banks, local branches of foreign banks, mutual banks and co-operative banks.

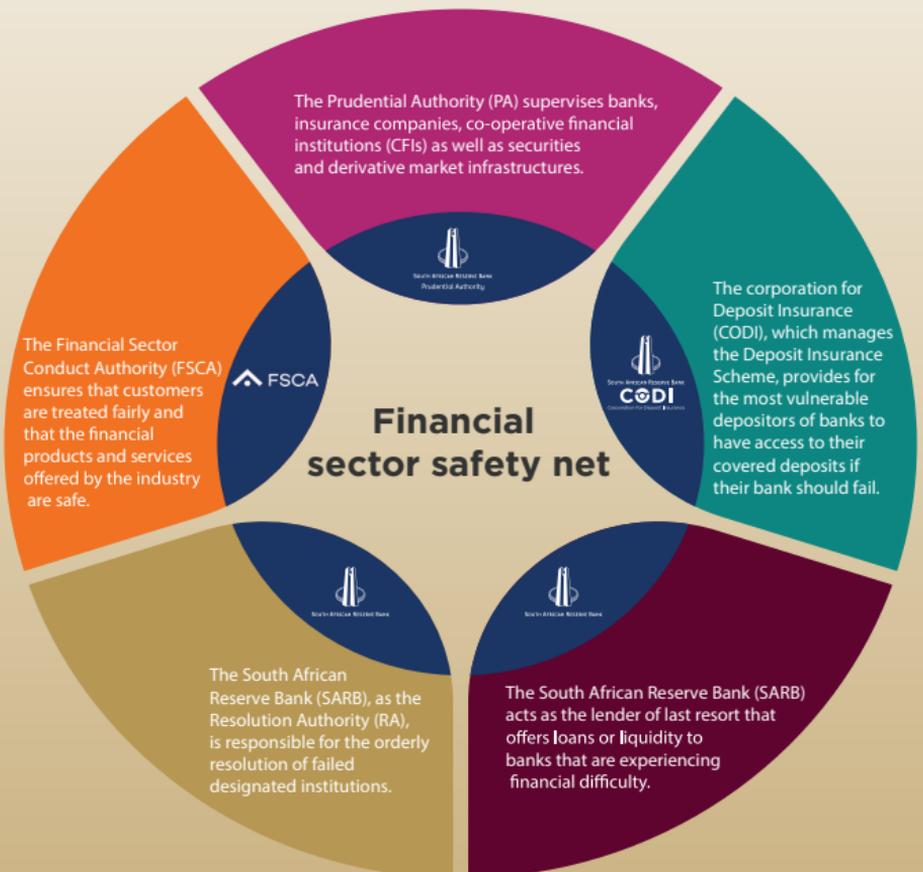
CODI has published a list of its members which can be viewed at **[www.resbank.co.za/codi](http://www.resbank.co.za/codi)**

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# How does CODI fit into South Africa's financial sector safety net, or what exactly comprises this safety net?

South Africa has one of the world's most resilient financial sectors, overseen by a network of institutions aimed at safeguarding its stability and public confidence, collectively known as the financial sector safety net. This network includes the Prudential Authority (PA) that regulates financial institutions and market infrastructures. Secondly, the SARB acts as the lender of last resort, offering loans or liquidity to banks that are experiencing financial difficulty. The Resolution Authority (RA) is responsible for the orderly resolution of designated institutions.

CODI, as the country's DIS, is also part of the safety net, as it ensures the orderly and timely protection of or access to covered deposits in the event of a bank failure. Another vital component is the Financial Sector Conduct Authority (FSCA) that ensures that financial institutions treat their customers fairly and transparently. These institutions are governed by the Financial Sector Regulation Act 9 of 2017 (FSR Act) that was enacted following the 2008–09 global financial crisis.



Where can I get more information about CODI?  
For more information on CODI, please scan code



You can also contact your bank or  
email **CODI** at [CODI@resbank.co.za](mailto:CODI@resbank.co.za)

For more information visit: [www.resbank.co.za/codi](http://www.resbank.co.za/codi)