

Stabilization Fund in Foreign Countries

1) Iran: National Development Fund of Iran

National Development Fund of Iran is the manifestation of Iran’s political will and determination to move in a new direction. It was established in 2010 and has been enjoying a constant stream of revenues originating from oil and gas exports. With regard to assets under management NDFI ranks 21st among SWFs in the world. Regarding transparency ranking, NDFI has improved from 61 to 28 and considers transparency enhancement, along with good governance, ethics and international criteria as its lifelong targets and puts them top on its agenda.

The creation of a sovereign development fund in Iran dates back to 14 years ago, when Iran established an Oil Stabilization Fund (OSF) to shield the country against severe hard currency revenue fluctuations . NDFI, set up in 2010, is the result of experiences of OSF and in coexistence with OSF, is mandated to invest for sustainable development and decrease disparities among the regions of the country.

Website: <https://en.ndf.ir/HOME>

Articles and News:

- <https://financialtribune.com/articles/business-and-markets/114634/ndfi-to-inject-more-money-in-stock-market-stabilization-fund>
- <https://www.tehrantimes.com/news/475407/NDF-deposits-new-resources-into-capital-market-stabilization>

2) Taiwan: National Financial Stabilization Fund, Taiwan

Taiwan National Stabilization Fund Details

- Name: Taiwan National Stabilization Fund
- Legal Name: National Financial Stabilization Fund, Taiwan
- DBA: Taiwan National Stabilization Fund
- Region: Asia
- Country: Taiwan
- Type: Sovereign Wealth Fund

Website: <https://www.swfinstitute.org/profile/598cdaa60124e9fd2d05b8ee>
<https://www.mof.gov.tw/Eng/htmlList/6645>

Articles and News:

- <https://financialpost.com/pmnbusiness-pmn/taiwan-to-activate-stock-stabilization-fund-following-market-falls-3>
- <https://focustaiwan.tw/business/202207110017>
- <https://www.taipeitimes.com/News/biz/archives/2022/07/13/2003781644>

3) India: Investor Protection Fund Trust

National Stock Exchange of India (NSE) has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of registered Trust created for the purpose. The Investor Protection Fund Trust is managed by Trustees comprising of Public representative, investor association representative, Board Members and Senior officials of the Exchange.

The Investor Protection Fund Trust, based on the recommendations of the Member and Core Settlement Guarantee Fund Committee (formerly Defaulters' Committee), compensates the investors to the extent of funds found insufficient in Defaulters' account to meet the admitted value of claim, subject to a maximum limit of ₹ 25 lakhs per investor per defaulter/expelled member in respect of claims arising on expulsion/declaration of default of members.

Website: <https://www.nseindia.com/invest/investor-protection-fund-trust>

4) Singapore: Fidelity Fund

Singapore Exchange Limited (SGX) maintains a Fidelity Fund in accordance with Part XI of the Securities and Futures Act. The Fidelity Fund compensates investors (other than *accredited investors) who may suffer pecuniary losses in connection with dealing or trading on SGX's markets when an SGX member or its agent commits defalcation in relation to any money or property placed with such SGX member or its agent. The Fidelity Fund may also be used to pay the Official Assignee, a trustee in bankruptcy, a nominee or

a liquidator of an SGX member where the available assets of such SGX member are insufficient to satisfy any debts arising from dealing or trading on SGX's markets.

The amount that may be paid out of the Fidelity Fund shall not exceed \$50,000 for each claimant/creditor of a bankrupt SGX member, and shall not exceed \$2 million for the sum of amounts paid out in relation to each SGX member.

*An accredited investor is currently defined in the Securities and Futures Act as:

- a) an individual whose net personal assets exceed \$2 million (or its equivalent in a foreign currency) or such other amount that the Monetary Authority of Singapore (the "Authority") may prescribe; or whose financial assets exceed \$1 million (or its equivalent in a foreign currency) or such other amount that the Authority may prescribe; or whose income is not less than \$300,000 (or its equivalent in a foreign currency) or such other amount that the Authority may prescribe;
- b) a corporation with net assets exceeding \$10 million in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe;
- c) a trustee of such trust as the Authority may prescribe, when acting in that capacity; or
- d) such other person as the Authority may prescribe.

Website: <https://www.sgx.com/regulation/investor-protection>

5) **United Arab Emirates (UAE): Abu Dhabi Fund for Development**

Abu Dhabi Fund for Development's (ADFD) operations in the area of funding focuses on two main areas:

- a) **Concessionary Loans:** Since its establishment, ADFD has provided long-term development loans with concessionary interest rates to support vital projects in developing countries. It has specifically focused on infrastructure projects in sectors such as water, electricity, transportation, education and healthcare.
- b) **Management of Government Funds:** ADFD manages grants given by the UAE government to fund vital projects in developing countries. The Fund's responsibilities in this area include project management through direct supervision throughout its various stages according to a set of plans and goals.

Website:

<https://www.adfd.ae/english/Operationalactivity/DevelopmentFunding/Pages/Development-Funding.aspx>

6) **Oman:** State General Reserve Fund

Oman Investment Authority is a sovereign wealth fund in Oman. It is one of few entities where the Sultanate of Oman channels its excess oil revenues. It was founded in 2020 by a royal decree and is a member of the International Forum of Sovereign Wealth Funds and is therefore signed up to the Santiago Principles on best practice in managing sovereign wealth funds.[1] Its objectives are purely financial. That means it does not invest in companies with the view of otherwise benefiting the local economy, nor other goals.

By royal decree, in June 2020, Oman Investment Fund, Oman SGRF, and other entities, were blended to form the new Oman Investment Authority.

Website:

<https://www.oia.gov.om/Index.php?r=site%2Findex&csrt=1578423277095758233>

7) **Russia:** Stabilization fund of the Russian Federation

The Stabilization fund of the Russian Federation was established based on a resolution of the Government of Russia on 1 January 2004, as a part of the federal budget to balance the federal budget at the time of when oil price falls below a cut-off price, currently set at US\$27 per barrel. In February 2008 the Stabilization Fund was split into a Reserve Fund, which is invested abroad in low-yield securities and used when oil and gas incomes fall, and the National Welfare Fund, which invests in riskier, higher return vehicles, as well as federal budget expenditures. The Reserve Fund was given \$125 billion and the National Welfare Fund was given \$32 billion. By the end of 2016 the two funds consisted respectively of \$38.2 and 72.2 billion.

The Fund was created to create a reserve of liquidity with the additional benefit of reducing inflationary pressure and insulating the economy of Russia from volatility of raw material export earnings, which was among the reasons of the 1998 Russian financial crisis. To prevent high inflation rates the fund is invested into abroad only.

Website: <https://www.minfin.ru/en/key/nationalwealthfund/>