

# Abstract

Deposit insurance has become a popular instrument used by governments in an attempt to ensure bank stability and protect bank depositors in case of bank failure. The purpose of this study was to investigate the need of a deposit insurance scheme in Palestine. This thesis is divided into 6 different chapters. In the first chapter there is a brief introduction of the study. A literature review contains issues related to the implementation of a deposit insurance scheme including the positive and negative aspects associated with deposit insurance. Deposit insurance in the MENA region was discussed and the case of Jordan was explained. Qualitative and Quantitative methods were used for the collection of data. Questionnaires were administered to compliance departments at major commercial banks and interviews were conducted at the Palestinian Monetary Authority and with compliance managers and commercial banks. The findings were discussed and analyzed and a list of recommendations were made. The principal conclusion to be made from this study is that the adoption of a deposit insurance scheme in Palestine is necessary and important.