

# **An Overview of Perbadanan Insurans Deposit Malaysia (PIDM)**

**Training for Officers of  
Member Banks**

Version as at 1 March 2023



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

This information/document has been classified: Public

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# **Section I:**

## **About Perbadanan Insurans Deposit Malaysia (“PIDM”)**

## **I. About Perbadanan Insurans Deposit Malaysia (PIDM)**

1. *What PIDM does?*
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## **II. Deposit Insurance System**

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**Perbadanan Insurans Deposit Malaysia (“PIDM”) is an integrated financial consumer protection authority for depositors and takaful or policy owners, and resolution authority for member institutions (“MIs”)**



**Operationally independent statutory body**  
established in September 2005 under the PIDM Act 2005\*

### **Financial consumer protection authority**

Administers the:

**1. Deposit Insurance System (“DIS”) (2005)**

Protects against loss of eligible deposits up to RM250,000 per depositor

**2. Takaful and Insurance Benefits Protection System (“TIPS”) (2010)**

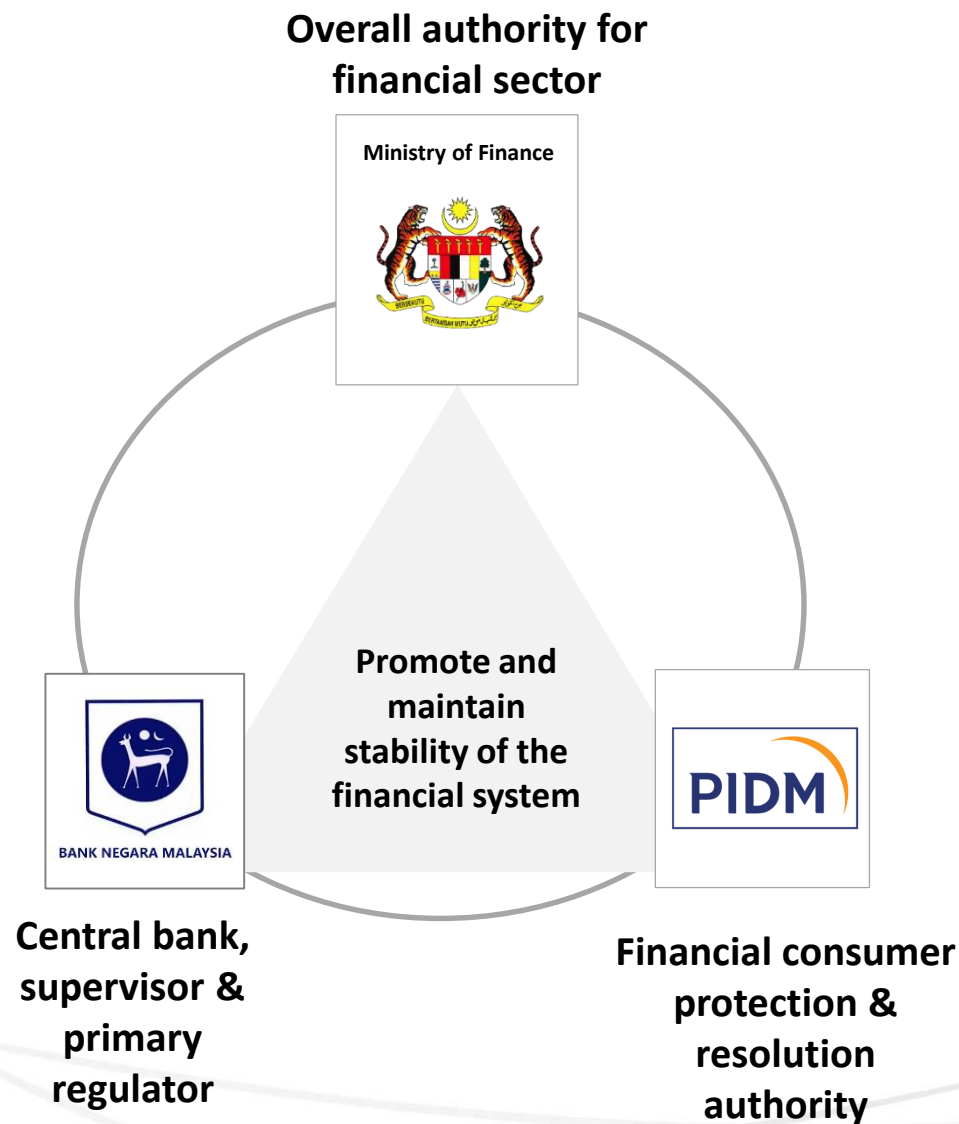
Protects against loss of eligible takaful and insurance benefits up to RM500,000

### **Resolution authority**

Acts as the resolution authority to resolve non-viable MIs to enable them to exit from the financial system in an orderly manner, without causing severe systemic disruption

*\* Amended in 2010, 2016 and 2022*

# PIDM is an integral part of the financial system safety net arrangement in Malaysia contributing to financial system stability

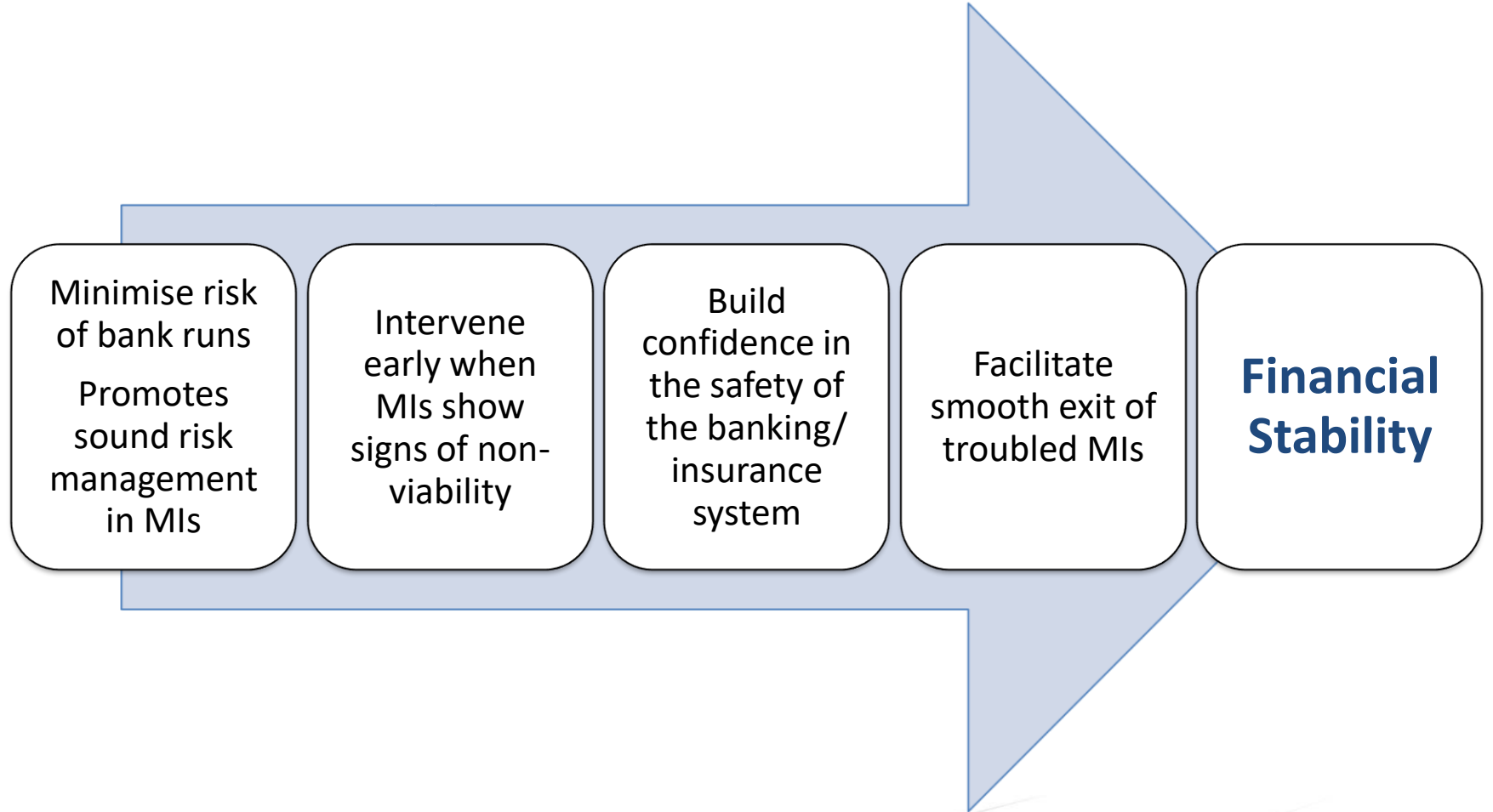


## Mandate of PIDM

- 1. SYSTEM ADMINISTRATION |**  
Administer a DIS and a TIPS.
- 2. INSURANCE AGAINST LOSS\* |**  
Provide insurance against the loss of part or all deposits, and protection against the loss of part or all takaful or insurance benefits.
- 3. INCENTIVES |**  
Provide incentives for sound risk management in the financial system.
- 4. FINANCIAL STABILITY\* |**  
Promote or contribute to the stability of the financial system.

*\* In a manner that minimises costs to the financial system*

**PIDM promotes financial stability through early detection, timely intervention and resolution of problem MIs**



# PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work? (1 / 5)



MI

*Who are MIs?*

Business as usual



Deposit money /  
buy insurance

*What are protected?*



Consumer

*Who are protected?*

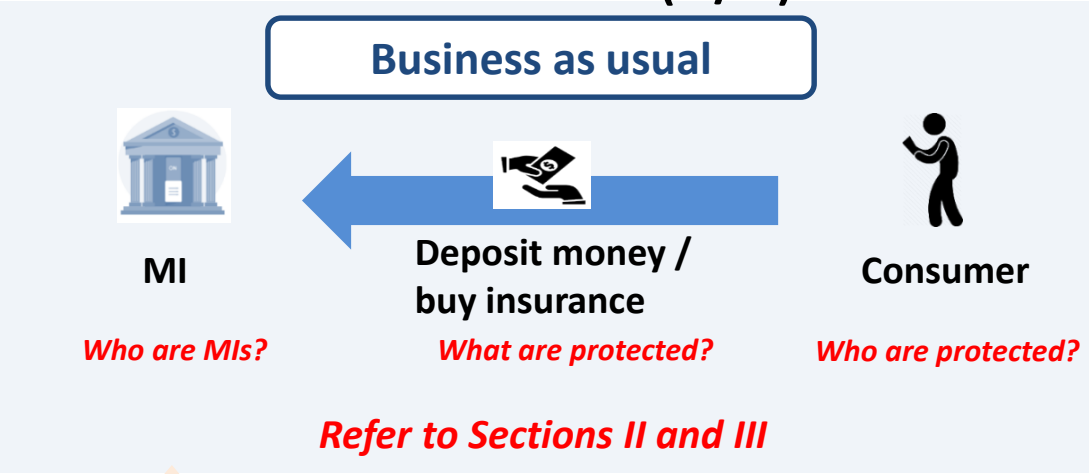
*Refer to Sections II and III*





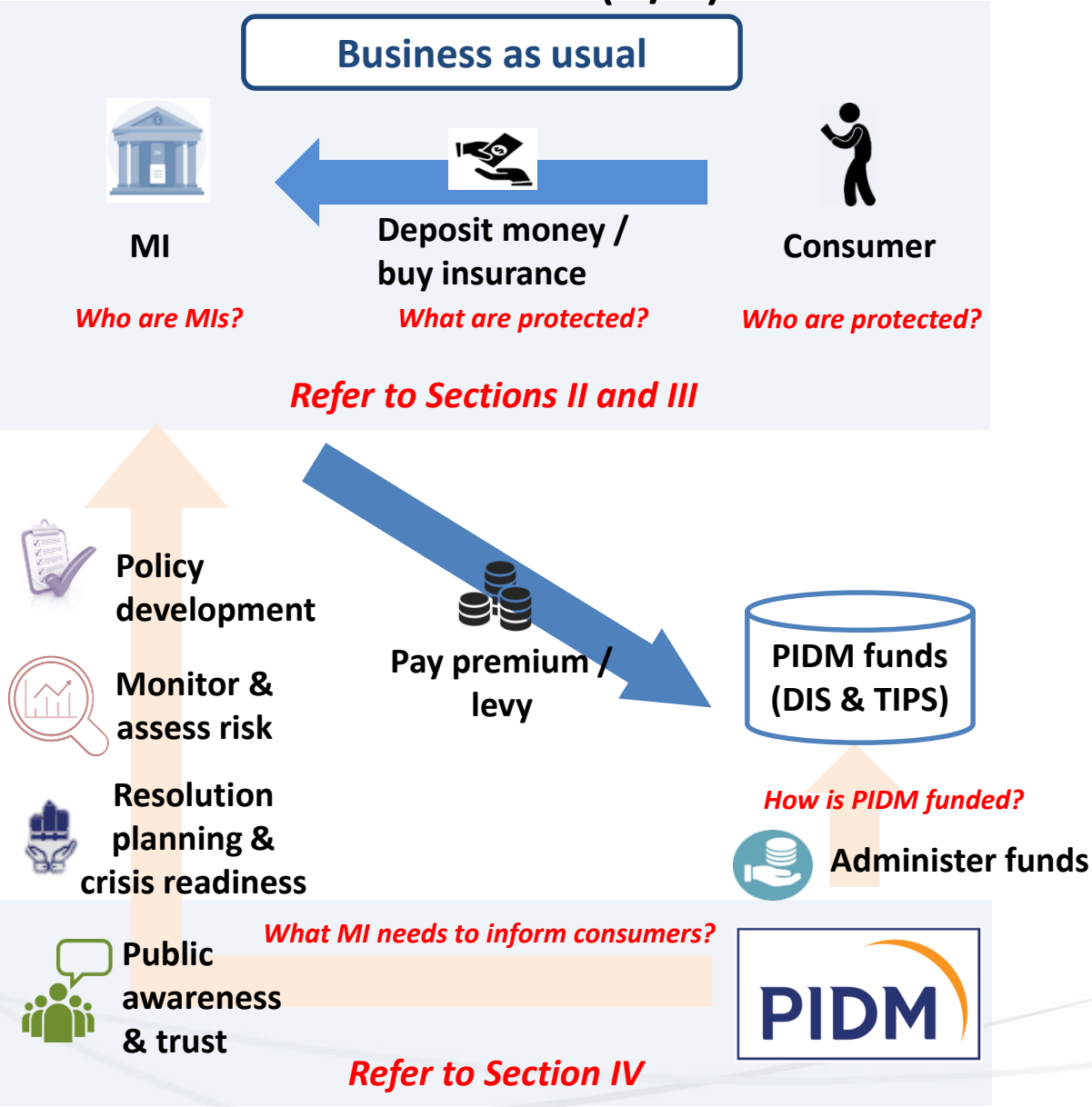
1 What PIDM does?

PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work? (2 / 5)



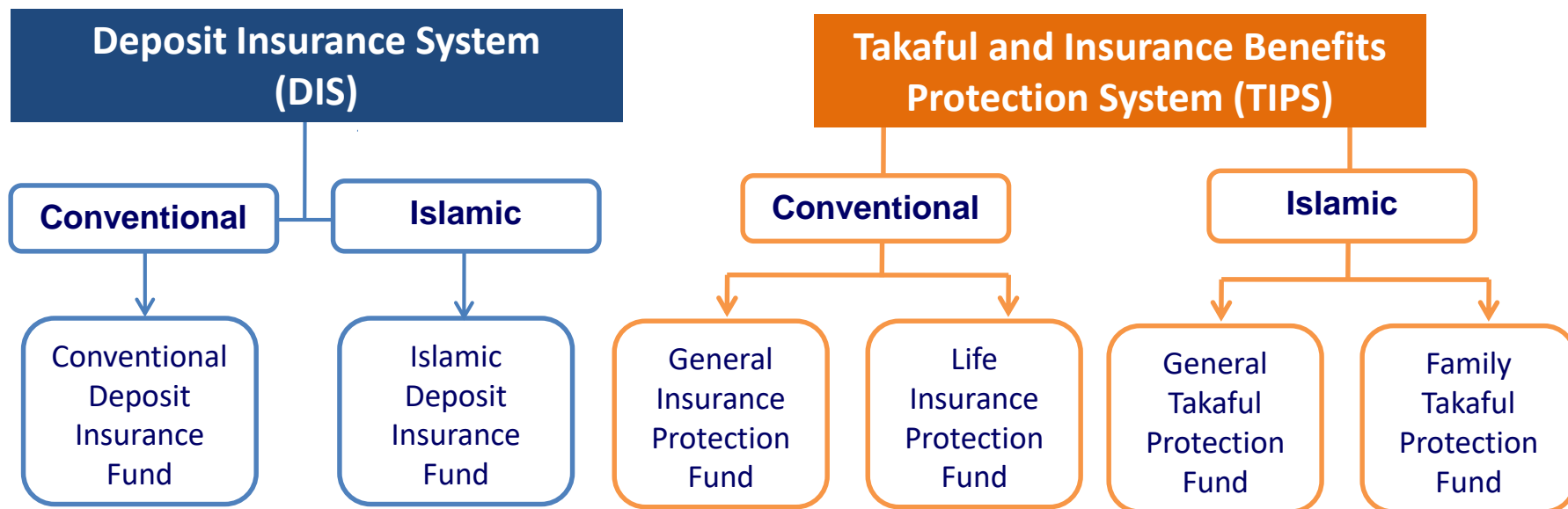
What PIDM does during business as usual

# PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work? (3 / 5)



What PIDM does during business as usual

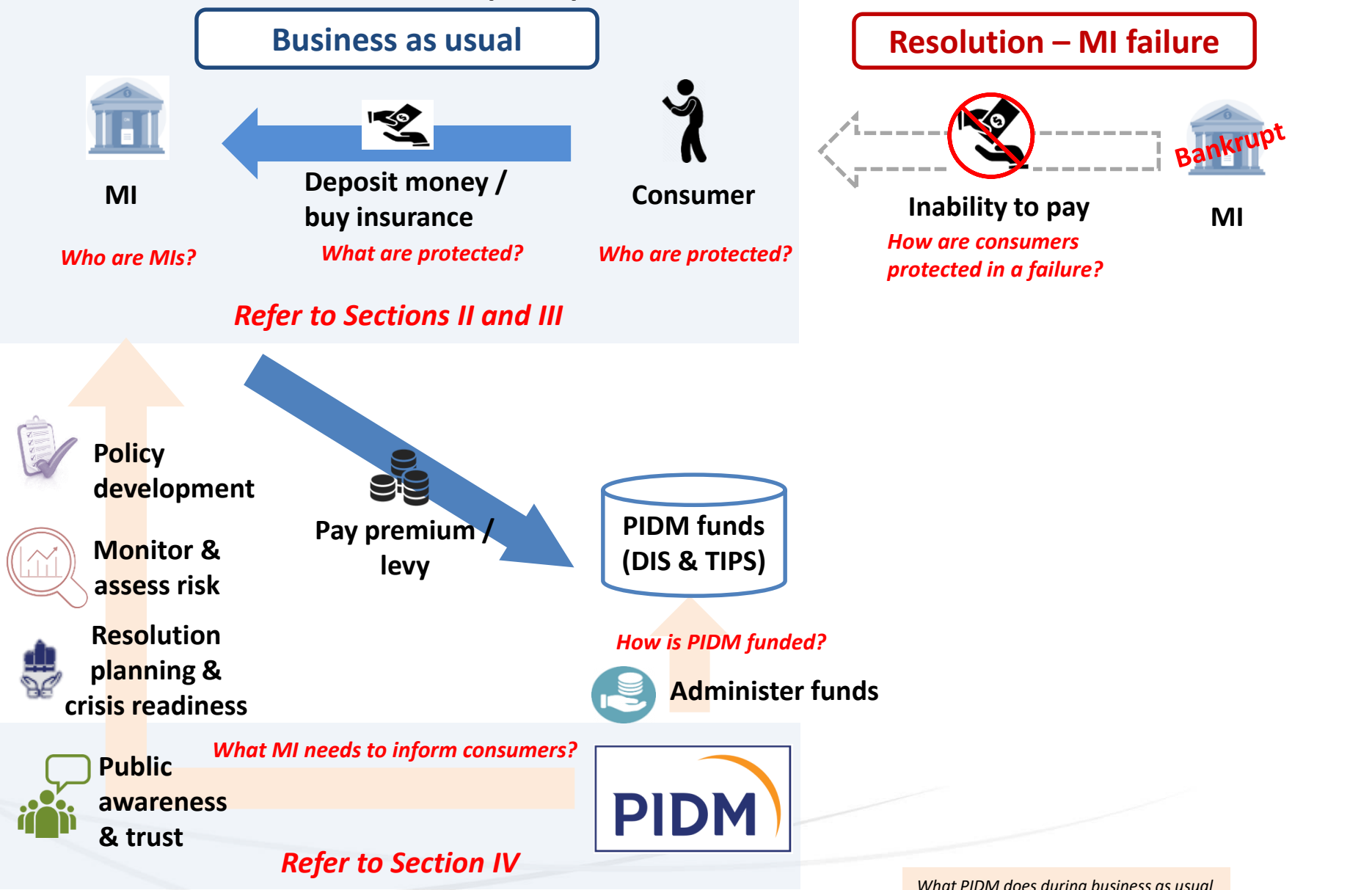
**DIS and TIPS are funded ex-ante with a clearly defined reserve target. Main source of funding are risk-based premiums/levies paid by MIs, supported by external funding sources**



- PIDM administers six (6) separate and distinct funds
- Islamic funds are managed and administered in accordance with Shariah principles
- No commingling of funds between the six (6) separate funds
- MIs pay premium / levy according to their risk profiles

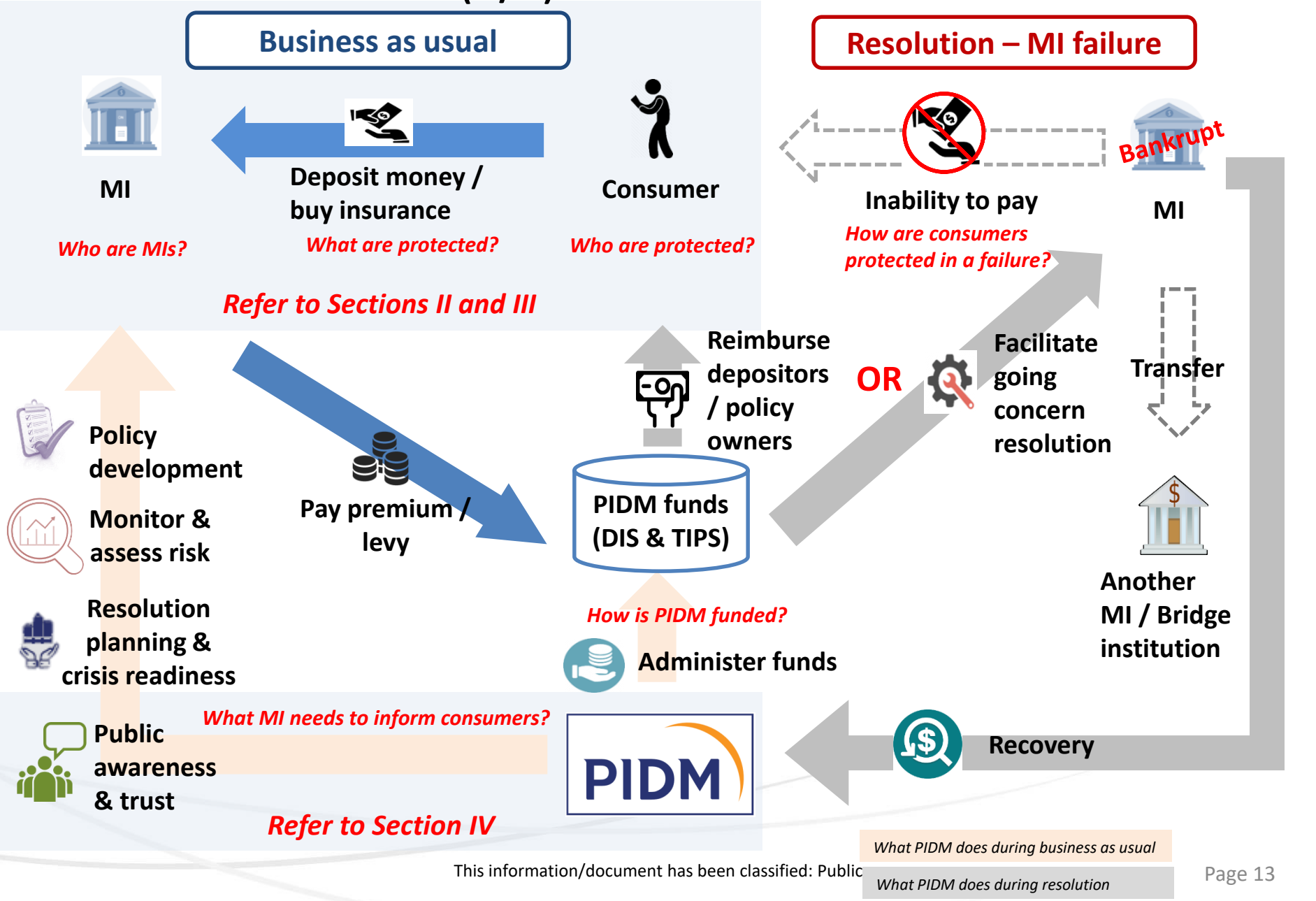
3 How are consumers protected in a failure?

PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work? (4 / 5)



3 How are consumers protected in a failure?

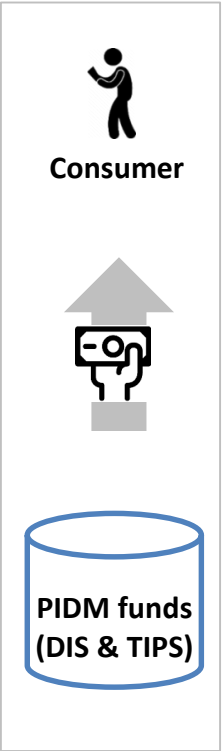
# PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work? (5 / 5)



In the event of a MI failure, PIDM will pay your eligible deposits or takaful / insurance benefits directly or arrange to transfer your deposits or takaful / insurance policy to another MI / bridge institution




Reimburse depositors / policy owners



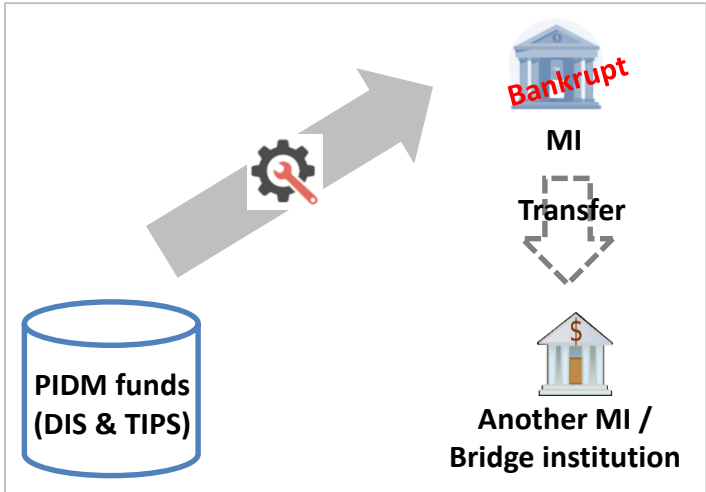
- PIDM will make public announcements on how and when reimbursement will be made
- Depositors or takaful certificate / insurance policy owners may file a claim with the liquidator of the MI to recover any amount above the protection limit

OR



Facilitate going concern resolution

- Depositors or takaful certificate / insurance policy owners will be able to access their deposits or continue their takaful or insurance coverage as usual through another MI / bridge institution



## **To learn more:**

**Deposit Insurance System**



**Section II**

**Takaful and Insurance Benefits  
Protection System**



**Section III**

**Deposit Insurance System Disclosure  
Requirements for Member Banks**



**Section IV**

# **Section II:**

# **Deposit Insurance System**



## **I. About Perbadanan Insurans Deposit Malaysia (PIDM)**

- 1. What PIDM does?*
- 2. How is PIDM funded?*
- 3. How are consumers protected in a failure?*

## **II. Deposit Insurance System**

- 1. Who are member institutions?*
- 2. Who are protected?*
- 3. What are protected?*

## **III. Takaful and Insurance Benefits Protection System**

- 1. Who are member institutions?*
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- 3. What are protected?*

## **IV. Deposit Insurance System disclosure requirements for member banks**

- 1. What member institution needs to inform consumers?*
- 2. What member institution needs to do?*

# PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work?

## Business as usual



MI



Deposit money



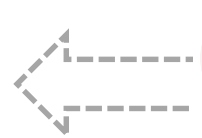
Consumer

① Who are MIs?

③ What are protected?

② Who are protected?

## Resolution – MI failure



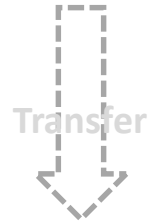
Inability to pay

How are consumers protected in a failure?



Bankrupt MI

Facilitate going concern resolution



Another MI / Bridge institution

Reimburse depositors / policy owners

OR

PIDM funds (DIS & TIPS)

How is PIDM funded?

Administer funds

Pay premium/levy

Recovery

PIDM

What MI needs to inform consumers?

Policy development

Monitor & assess risk

Resolution planning & crisis readiness

Public awareness & trust

What PIDM does during business as usual

What PIDM does during resolution

1 Who are member institutions?

PIDM membership is mandatory for financial institutions licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013

92

MIIs

(As at 31 December 2022)

<p>42</p> <p><b>MEMBER BANKS*</b></p> <p>26 Commercial Banks</p> <p>16 Islamic Banks</p>	<p>50</p> <p><b>INSURER MEMBERS</b></p> <p>35 Insurance Companies</p> <p>15 Takaful Operators</p>
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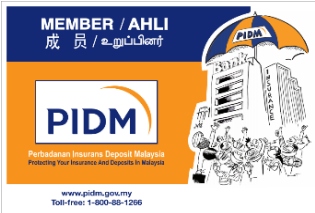
\*Also known as Deposit-Taking Members (DTMs)



How do you know if a financial institution is a member of PIDM?

1 Display of membership representation^

*Printed copy*



Premises

*Electronic copy*



Advertisement, self-service terminal, website & social networking site

^ Mandatory for member banks

2 Refer to the list of MIIs on [www.pidm.gov.my](http://www.pidm.gov.my)



## Who are NOT MIs of PIDM?



### Banking institutions

- Overseas branches of member banks
- Investment banks<sup>1</sup>
- International Islamic banks<sup>1</sup>
- Financial holding companies<sup>1</sup>
- Development financial institutions (“DFIs”)<sup>1</sup>
  - DFIs prescribed under the DFI Act 2002
  - Other DFIs (non-prescribed institutions)
- Labuan banks (including Labuan investment banks and Labuan Islamic banks)<sup>2</sup>
- Cooperative banks<sup>3</sup>



### Non-bank financial institutions

- Approved and registered intermediaries e.g. money brokers, financial advisers and electronic trading platforms<sup>1</sup>
- Non-bank e-money issuers<sup>1</sup>
- Co-operative societies<sup>3</sup>
- Provident and pension funds, and Pertubuhan Keselamatan Sosial
- Leasing companies and housing credit institutions
- Fund managers, e.g. unit trust providers, peer-to-peer financing platform operators, equity crowdfunding platform operators, digital investment managers<sup>4</sup>
- Money changers / remittance<sup>1</sup>, money lenders and pawnbroking companies<sup>5</sup>

<sup>1</sup> Refer to the list on Bank Negara Malaysia’s website.

<sup>2</sup> Refer to Labuan International Business and Financial Centre (Labuan IBFC)’s website.

<sup>3</sup> Refer to Malaysia Co-operative Societies Commission’s website.

<sup>4</sup> Refer to Securities Commission of Malaysia’s website.

<sup>5</sup> Refer to Ministry of Local Government Development’s website.

## 2 Who are protected?

PIDM protects eligible deposits held by Malaysian and foreigners up to RM250,000 per depositor per member bank in the event of a member bank failure



- The protection is automatic
- No application and payment is required
- Separate protection for eligible deposits held by seven (7) types of depositor



**What are the  
situations  
where deposit  
losses are not  
protected by  
PIDM?**

- Fire at branch
- Robbery at branch
- Fraud / scam resulting in money stolen from account
- ATM card fraud
- E-money issuer fraud
- Investment losses
- Lost of safety box

## Eligible conventional and Islamic deposits denominated in Ringgit Malaysia and foreign currencies, held in the same member bank, are protected separately



### Protected

#### Ringgit Malaysia and foreign currencies deposits in:

- Savings accounts
- Current accounts
- Fixed deposits
- Bank drafts, cheques, other payment instructions or instruments made against a deposit account

#### Islamic deposits e.g. Wadiah accounts, are protected separately.

*Guidelines on Deposit Insurance Coverage for Deposits specify the criteria for determining whether a product offered by a member bank is a deposit protected by PIDM*



**Refer to the list of insured deposits at member bank's website before responding to a customer's query on insurability of deposit products.**



### Not Protected

- Deposits in Labuan banks and deposits not payable in Malaysia e.g. overseas branches
- Interbank money market placements
- Negotiable instruments of deposits (NIDs) and other bearer deposits
- Repurchase agreements
- Investment linked to derivatives\*
- E-money (*except if it is under an eligible trust account with a member bank*)
- Skim Simpanan Pendidikan Nasional
- Peer-to-peer lending, crowdfunding


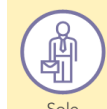




*\* Investment linked to derivatives previously certified as "insured deposit" before 22 February 2022 will continue to be insured by PIDM, until they reach maturity, are fully withdrawn or are otherwise terminated, whichever is earlier.*

#### Other investment products

- Investment accounts
- Unit trusts and private retirement schemes
- Stocks, shares, bonds / sukuk
- Gold and silver related investment products or accounts
- Digital currency and digital token

### 3 What are protected?

# The limit of RM250,000 per depositor per member bank protects 96% of total depositors in full\*

Type of depositor	Eligible deposits	Max PIDM protection in each DTM	Type of depositor	Eligible deposits	Max PIDM protection in each DTM
 Individual	e.g. Ali Conventional deposits <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000	 Sole proprietorship	e.g. Kedai Ali Conventional deposits <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000
	Islamic deposits <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000		Islamic deposits <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000
 Joint owners	e.g. Ali and wife Conventional <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000	 Partnership	e.g. Ali & Co (office account) Conventional <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000
	Islamic <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000		Islamic <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000
 Trustee	<u>Individual</u> e.g. Ali for son For each beneficiary Conventional <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000	 Company	e.g. Ali Flowers Sdn Bhd Conventional <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000
• Individual • Non-individual	<u>Non-individual</u> e.g. Ali & Co (client account) For each beneficiary Islamic <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000		Islamic <ul style="list-style-type: none"> <li>Savings Account</li> <li>Current Account</li> <li>Fixed Deposits</li> </ul>	+ RM250,000

\* As at 31 December 2022

**The RM250,000 limit includes both the principal amount of a deposit and the interest / return. Additional insurance is not available over and above that provided by PIDM.**

## Extract of criteria for determining insured deposits








### *Guidelines on Deposit Insurance Coverage for Deposits (Issue date: 18 May 2022)*

1. Monies received by the member constitute an Islamic deposit or a Conventional deposit, as defined under subsection 2(1) of the Act;
2. Monies are received by the member in the usual course of its business of deposit-taking;
3. Repayment of the principal amount is made in money and not in money's worth;
4. The liability of the member in respect of monies received by it constitutes a deposit liability or is reported to Bank Negara Malaysia as a "deposit accepted";
5. The person entitled to a repayment by the member is identifiable from the contract between the member and the depositor;
6. In the case of an Islamic deposit accepted under the repealed Islamic Banking Act 1983 [Act 276] which is deemed to be an Islamic deposit under section 288 of the Islamic Financial Services Act 2013 only, the monies deposited shall be used by the member for one or more of the banking business purposes as specified by Bank Negara Malaysia in its Framework of Rate of Return issued on 13 March 2013 namely, provision of finance, investment in securities, interbank placements, or such other business prescribed by Bank Negara Malaysia that complies with Shariah; and
7. A foreign currency deposit is eligible for deposit insurance provided it satisfies the criteria set above.



## Types of depositor

### *Guidelines on Deposit Information Systems and Submission (Issue date: 22 February 2023)*

1.  Individual  
A personal account opened by a natural person for himself or herself.
2.  Joint owners  
An account opened by two (2) or more natural persons jointly for themselves.
3.  Trustee  
- Individual  
An account opened by a natural person (excluding sole proprietorship) for the benefit of any beneficiary where appropriate disclosures are made to the DTMs on opening of the trust account in accordance with the MDIC (Disclosure Requirements For Trust Accounts And Joint Accounts) Regulations 2012 as amended by the MDIC (Disclosure Requirements For Trust Accounts And Joint Accounts) (Amendment) Regulations 2022
4.  Sole proprietorship  
An account opened by a natural person for his or her businesses which is registered as sole proprietorship.
5.  Partnership  
An account opened as a registered business partnership (excluding a limited liability partnership).
6.  Company  
An account opened by a non-natural person (such as registered companies, societies (including clubs), limited liability partnerships, government agencies, statutory bodies, co-operatives, registered trade unions, government departments etc) other than sole proprietorships and partnerships.
7.  Trustee  
- Non-individual  
An account opened which falls under account type (4), (5) or 6 above for the benefit of any beneficiary where appropriate disclosures are made to the DTMs on opening of the trust account in accordance MDIC (Disclosure Requirements For Trust Accounts And Joint Accounts) Regulations 2012 as amended by the MDIC (Disclosure Requirements For Trust Accounts And Joint Accounts) (Amendment) Regulations 2022.

## Illustration: Individual

### How is PIDM's protection calculated?

#### Example 1: Depositor holding several conventional deposit accounts in a member bank

Depositor	Type of deposits (Conventional)	Amount (RM)	Total Deposits (RM)	Protected by PIDM (RM)
Ali	Savings account	50,000	300,000	250,000 <b>1</b>
	Foreign currency* savings account	100,000		
	Current account	50,000		
	Fixed deposits	100,000		
<b>Total (RM)</b>			<b>300,000</b>	<b>250,000</b>

\* Foreign currency 30,000 = RM100,000 (converted to Ringgit Malaysia)

Refer to MDIC (Conversion Into Ringgit in Respect of a Foreign Currency Deposit) Rules 2012, as amended by MDIC (Conversion Into Ringgit in Respect of a Foreign Currency Deposit) (Amendment) Rules 2020, for the determination of the date and rate of conversion of foreign current deposits into Ringgit Malaysia.

#### Example 2: Depositor holding Islamic and conventional deposit accounts in a member bank

Depositor	Type of deposits	Amount (RM)	Total Deposits (RM)	Protected by PIDM (RM)
Ali	Conventional savings account	50,000	150,000	150,000
	Conventional fixed deposits	100,000		
	Islamic savings account	300,000	300,000	250,000
<b>Total (RM)</b>			<b>450,000</b>	<b>400,000</b>

- 1** All conventional deposits held by Ali as an individual depositor are aggregated and protected up to RM250,000.
- 2** Conventional and Islamic deposits held by Ali in the same member bank are protected separately up to RM250,000.

## Illustration: Joint owners

### How is PIDM's protection calculated?

#### Example 3: Depositor holding several types of deposit accounts in a member bank

Depositor	Type of depositor	Type of deposits	Amount (RM)	Total Deposits (RM)	Protected by PIDM (RM)
Ali	Individual	Savings account	150,000	350,000	250,000 ①
		Current account	200,000		
		Islamic savings account	100,000	270,000	250,000 ②
		Islamic fixed deposits	170,000		
Ali & wife	Joint	Savings account	200,000	300,000	250,000 ③
		Current account	100,000		
Ali, wife & son	Joint	Savings account	200,000	200,000	200,000
Ali, wife & daughter	Joint	Islamic savings account	100,000	100,000	100,000
<b>Total (RM)</b>				<b>1,220,000</b>	<b>1,050,000</b>

- ① All conventional deposits held by Ali as an individual depositor are aggregated and protected up to RM250,000.
- ② All Islamic deposits held by Ali as an individual depositor are aggregated and protected separately up to RM250,000.
- ③ Deposits in joint account are protected separately from other types of deposit accounts. The maximum protection for a joint account is RM250,000 collectively and not RM250,000 per joint account holder.
- ④ Joint accounts held with different joint account holders enjoy separate protection.

## Illustration: Sole proprietorship, partnership and company

### How is PIDM's protection calculated?

**Example 4: Depositor holding several types of deposit accounts in a member bank**

Depositor	Type of depositor	Type of deposits	Amount (RM)	Total Deposits (RM)	Protected by PIDM (RM)
Ali	Individual	Savings account	150,000	350,000	250,000 1
		Current account	200,000		
Kedai Ali	Sole proprie- torship	Current account	200,000	300,000	250,000
		Fixed deposits	100,000		
Ali Flowers Sdn Bhd	Company	Savings account	200,000	200,000	200,000
Ali & Co (law firm)	Partnership	Islamic savings (office account 1)	100,000	300,000	250,000 3
		Islamic current (office account 2)	200,000		
Total (RM)				1,150,000	950,000

- ① All conventional deposits held by Ali as an individual depositor are aggregated and protected up to RM250,000.
- ② Deposits held under a sole proprietorship, partnership or company are protected separately. In the case of partnerships or companies, the maximum protection for such entities is RM250,000 collectively and not RM250,000 per partner.
- ③ All Islamic deposits held by Ali & Co (a law firm in its office accounts) as a partnership depositor are aggregated and protected separately up to RM250,000.

## Illustration: Trust – Individual

### How is PIDM's protection calculated?

**Example 5: An individual trustee holds several deposit accounts in trust for different beneficiaries in a member bank**

Account	Trustee	Beneficiary	Amount (RM)	Total Deposits (RM)	Protected by PIDM (RM)
1.	Ali	Son 1	150,000	350,000	250,000 1
2.	Ali	Son 1	200,000		
3.	Ali	Daughter 1	200,000	200,000	200,000
4.	Ali	Daughter 2	300,000	300,000	250,000
	<b>Total (RM)</b>			<b>850,000</b>	<b>700,000</b>

Diagram illustrating Example 5: A trustee (Ali) holds four deposit accounts for different beneficiaries (Son 1, Daughter 1, Daughter 2). The total deposits are RM850,000. The protected amount is RM700,000, calculated as follows: RM250,000 for Son 1 (aggregated), RM200,000 for Daughter 1, and RM250,000 for Daughter 2. A bracket labeled '2' groups the four accounts, and a bracket labeled '1' groups the two accounts for Son 1.

**Example 6: Different trustees hold deposit accounts in trust for the same beneficiary in a member bank**

Account	Trustee	Beneficiary	Amount (RM)	Total Deposits (RM)	Protected by PIDM (RM)
1.	Ali	Daughter 1	200,000	200,000	200,000
2.	Ali's wife	Daughter 1	400,000	400,000	250,000
	<b>Total (RM)</b>			<b>600,000</b>	<b>450,000</b>

Diagram illustrating Example 6: Two trustees (Ali and Ali's wife) hold deposit accounts for the same beneficiary (Daughter 1). The total deposits are RM600,000. The protected amount is RM450,000, calculated as follows: RM200,000 for Ali's account and RM250,000 for Ali's wife's account. A bracket labeled '3' groups the two accounts.

- 1 All deposits held by the same trustee for the same beneficiary are aggregated and protected up to RM250,000.
- 2 Deposits held by the same trustee for different beneficiaries are protected separately up to RM250,000.
- 3 Deposits held by different trustees for the same beneficiary are protected separately up to RM250,000.

## Illustration: Trust – Non-Individual

### How is PIDM's protection calculated?

**Example 7: Several trustees hold deposit accounts in trust for the same / undisclosed beneficiaries in a member bank**

Account	Trustee	Beneficiary	Amount (RM)	Total Deposits (RM)	Protected by PIDM (RM)
1.	Ali & Co	Gopal	150,000	150,000	150,000
2.	Leong & Co	Gopal	200,000	200,000	200,000
3.	Rashid & Co	Not disclosed	500,000	500,000	250,000

**Example 8: An non-individual trustee holds several deposit accounts in a member bank**

Account	Account holder	Type of depositor	Beneficiary	Total Deposits (RM)	Protected by PIDM (RM)
1.	Ali & Co (office account of a law firm)	Partnership	n/a	200,000	200,000
2.	Ali & Co (client account in trust of a law firm)	Trust – non-individual	Gopal	200,000	200,000
			Maria	500,000	250,000
3.	Maria (savings account)	Individual	n/a	150,000	150,000

- 1 Deposits held by different trustees for the same beneficiary is protected separately up to RM250,000.
- 2 Where the trustee fails to provide beneficiary's details upon trust account opening (other than for the purpose of e-money scheme), the deposit account is protected up to RM250,000.
- 3 Deposits in trust accounts are protected separately from deposits in other types of accounts for the same account holder.
- 4 Deposits held by the same trustee for different beneficiaries are protected separately up to RM250,000.
- 5 Each beneficiary of a trust account is protected separately from deposits held in their names.

## **To learn more:**

**About Perbadanan Insurans Deposit  
Malaysia**



**Section I**

**Takaful and Insurance Benefits  
Protection System**



**Section III**

**Deposit Insurance System Disclosure  
Requirements for Member Banks**



**Section IV**

# **Section III: Takaful and Insurance Benefits Protection System (“TIPS”)**



## **I. About Perbadanan Insurans Deposit Malaysia (PIDM)**

- 1. What PIDM does?*
- 2. How is PIDM funded?*
- 3. How are consumers protected in a failure?*

## **II. Deposit Insurance System**

- 1. Who are member institutions?*
- 2. Who are protected?*
- 3. What are protected?*

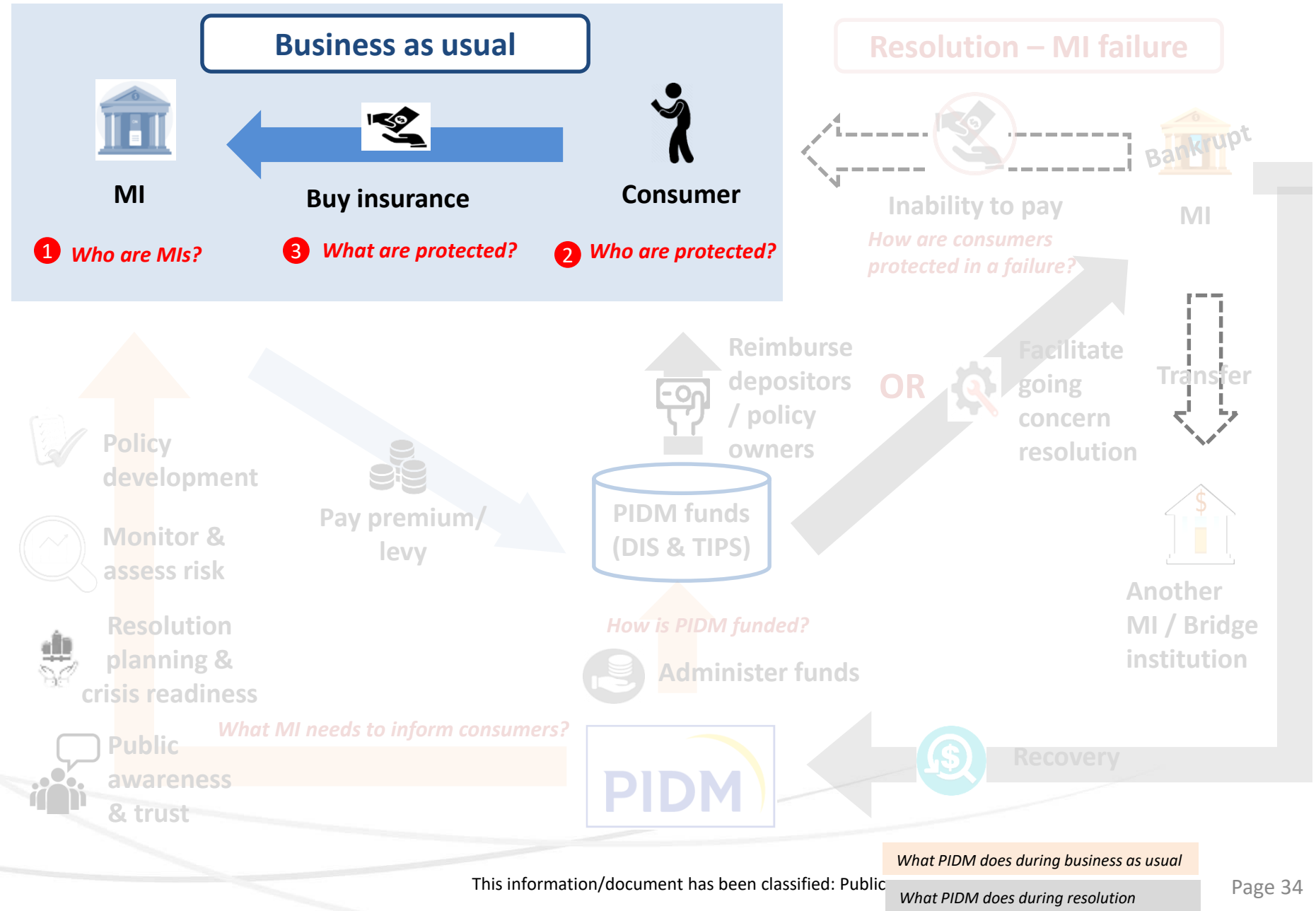
## **III. Takaful and Insurance Benefits Protection System**

- 1. Who are member institutions?*
- 2. Who are protected?*
- 3. What are protected?*

## **IV. Deposit Insurance System disclosure requirements for member banks**

- 1. What member institution needs to inform consumers?*
- 2. What member institution needs to do?*

# PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work?



1 Who are member institutions?

PIDM membership is mandatory for financial institutions licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013

92

MIIs

(As at 31 December 2022)

42

MEMBER BANKS\*

26 Commercial Banks

16 Islamic Banks

50

INSURER MEMBERS

35 Insurance Companies

15 Takaful Operators

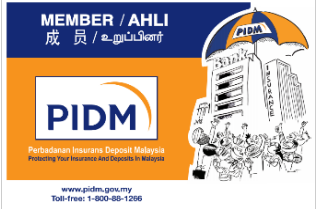
\*Also known as Deposit-Taking Members (DTMs)



How do you know if a financial institution is a member of PIDM?

1 Display of membership representation

Printed copy



Premises

Electronic copy










Advertisement

2 Refer to the list of MIIs on [www.pidm.gov.my](http://www.pidm.gov.my)



## Who are NOT MIs of PIDM?

### Non MIs – takaful / insurance related

-  Reinsurance companies and retakaful operators<sup>1</sup>
-  International takaful operators
-  Financial and credit guarantee insurers, including Danajamin Nasional Berhad
-  Labuan insurance companies and takaful operators<sup>2</sup>
-  Captive insurers
-  Approved and registered intermediaries e.g. insurance and takaful brokers, adjusters, financial advisers<sup>1</sup>
-  Insurance and takaful agents

<sup>1</sup> Refer to the list on Bank Negara Malaysia's website.

<sup>2</sup> Refer to Labuan International Business and Financial Centre (Labuan IBFC)'s website.

**PIDM protects eligible takaful and insurance benefits held by takaful certificate or insurance policy owners up to RM500,000 in the event of an insurer member failure**

**Takaful and Insurance Benefits Protection System**

**up to RM500,000**  
for eligible takaful and insurance  
benefits per insurer member

**Separate protection for  
Takaful certificates and  
Conventional policies held by**



Individual



Group

**and claims for**



Own damage



Third party

**Protects general takaful and family takaful,  
general insurance and life insurance**

- The protection is automatic.
- No application and payment is required.

**Eligibility conditions for protection by PIDM:**








- Takaful certificate and insurance policy owners eligible for protection include individuals, sole proprietors, partnerships, trade unions, registered societies, cooperatives, registered charities and corporations.
- Takaful certificates or insurance policies must be issued in Malaysia by an insurer member and denominated in Ringgit Malaysia.
- Eligible takaful and insurance benefits under individual and group certificates or policies are protected separately.
- Eligible own damage and third party claims for takaful and insurance benefits are protected separately. Claims will be subject to the conditions and limits specified in their takaful or policy contract.

3 What are protected?

Most of the takaful and insurance benefits covered under eligible takaful certificates or insurance policies are protected by PIDM



Protected

Examples of Takaful or Insurance Benefits Protected*		
Benefits Protected		Maximum Limit
<b>Death and related benefits</b>	 Sum covered payable for death, funeral and cremation expenses	RM500,000
<b>Permanent disability</b>	 Sum covered payable for permanent disability	RM500,000
<b>Critical illness</b>	 Sum covered payable for critical illness	RM500,000
<b>Medical expenses</b>	 Sum covered payable for medical treatment, such as hospitalisation and healthcare costs	100% of expenses incurred
<b>Maturity value</b> (excluding the investment portion of investment-linked plan)	 Sum covered payable at the end of the policy period	RM500,000
<b>Surrender value</b>	 Cash payable upon early surrender before expiry of policy	RM500,000
<b>Loss of or damage to property</b>	 Sum covered payable for loss/damage to property	RM500,000 per property

Not Protected



Takaful certificates and insurance policies denominated in foreign currencies



Takaful certificates and insurance policies issued out of Malaysia



Investment portion of investment-linked products\*

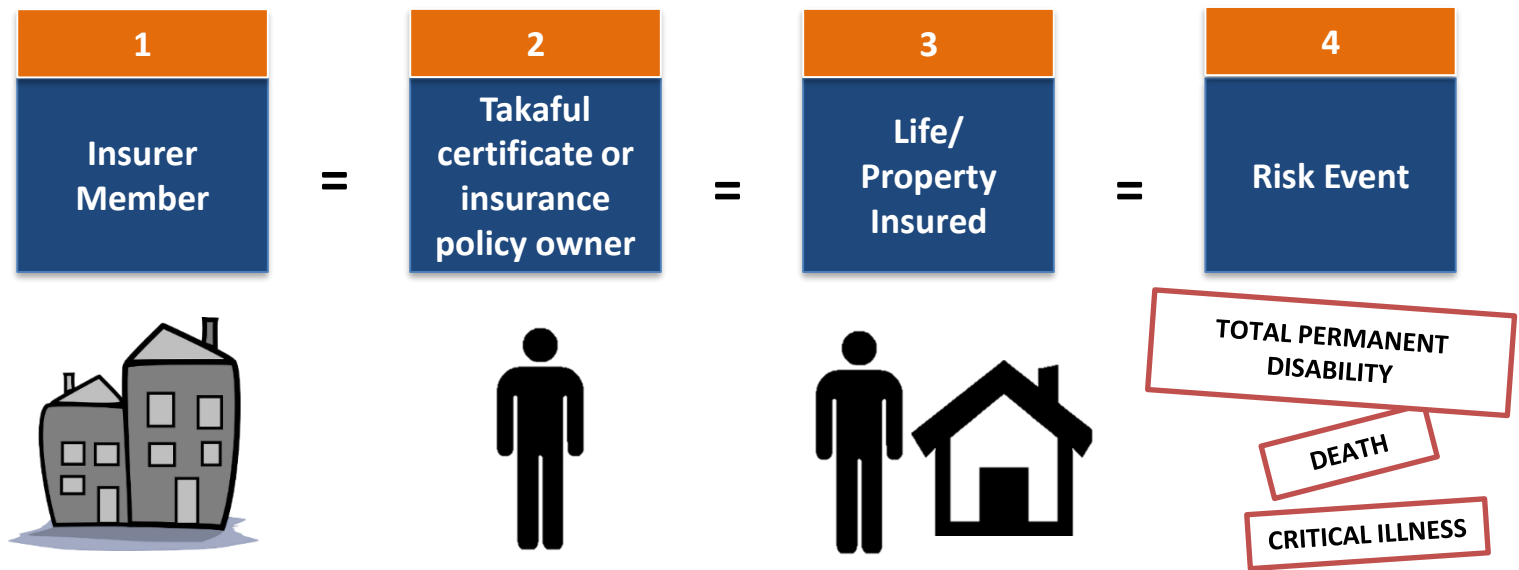
\* Referring to the maturity, surrender and income benefits payable from the unit portion of investment-linked takaful certificates or insurance policies

\* Refer to the full list on [www.pidm.gov.my](http://www.pidm.gov.my)

# The limit of RM500,000 protects at least 96% of takaful certificate and insurance policy owners in full

If a takaful certificate or insurance policy owner is entitled to claim protected benefits under two (2) or more takaful certificates or insurance policies with the same insurer member, the protected benefits under TIPS will be aggregated and protected up to the protection limit if the criteria below are the same.

## Aggregation Rule



Additional insurance is not available over and above that provided by PIDM.

## Illustration: Life insurance and family takaful

### How is PIDM’s protection calculated?

**Example 1:**

Mr Lim is employed with Troton Bhd and is insured under his employer’s Group Term Life for RM200,000. He also has a Whole Life and an Endowment policy for himself (sum insured of RM300,000 under each policy). All the policies were bought from XYZ Insurance Bhd. In January 2021, he died in an accident.

In the event of failure of XYZ Insurance Bhd., PIDM will apply aggregation rule and the payment of protected benefit (i.e. Death and related benefits arising from death) that will be made for Mr Lim is as follows:

	Group Term Life	Whole Life	Endowment
(1) Insurer member	XYZ Insurance Bhd.	XYZ Insurance Bhd.	XYZ Insurance Bhd.
(2) Insurance policy owner	Troton Bhd	Mr Lim	Mr Lim
(3) Life insured	Mr Lim	Mr Lim	Mr Lim
(4) Risk event	Death	Death	Death
Aggregation rule applies?	No (not aggregated because the insurance policy owner is different)	Yes (aggregated based on “same insurer member, same insurance policy owner, same life insured and same risk event”)	
Amount claimed	RM200,000	RM300,000	RM300,000
Amount protected under TIPS	RM200,000	Capped at RM500,000	



# Illustration: General insurance and general takaful

## How is PIDM’s protection calculated?

**Example 2:**

Ms Liza owns two cars and bought the motor insurance policy for both her cars (ABC 666 & IJK 888) with XYZ General Takaful Bhd and had filed the following claims with the takaful operator and both the claims had not been settled yet.

Event Description		Details of Claims
2 Jan 2021	Ms Liza’s car (ABC 666) was damaged in an accident	Claim 1 – Property damage for RM600,000
15 Jan 2021	Ms Liza’s car (IJK 888) was damaged in an accident	Claim 2 – Property damage for RM350,000

In the event of failure of XYZ General Takaful Bhd, the application of the aggregation rule and the payment of protected benefit (i.e. loss of or damage to property and consequential loss) that will be made to Ms. Liza are as follows:

	Claim 1	Claim 2
(1) Insurer member	XYZ General Takaful Bhd	XYZ General Takaful Bhd
(2) Takaful certificate owner	Ms Liza	Ms Liza
(3) Property insured	Car - ABC 666	Car - IJK 888
(4) Risk event	Accident on 2 Jan 2021	Accident on 15 Jan 2021
Aggregation rule applies?	No (not aggregated because the risk event & property insured are different)	No (not aggregated because the risk event & property insured are different)
Amount claimed	RM600,000	RM350,000
Amount protected under TIPS	RM500,000	RM350,000

## To learn more:

**About Perbadanan Insurans Deposit  
Malaysia**



**Section I**

**Deposit Insurance System**



**Section II**

**Deposit Insurance System Disclosure  
Requirements for Member Banks**



**Section IV**

# **Section IV: Deposit Insurance System disclosure requirements for member banks**

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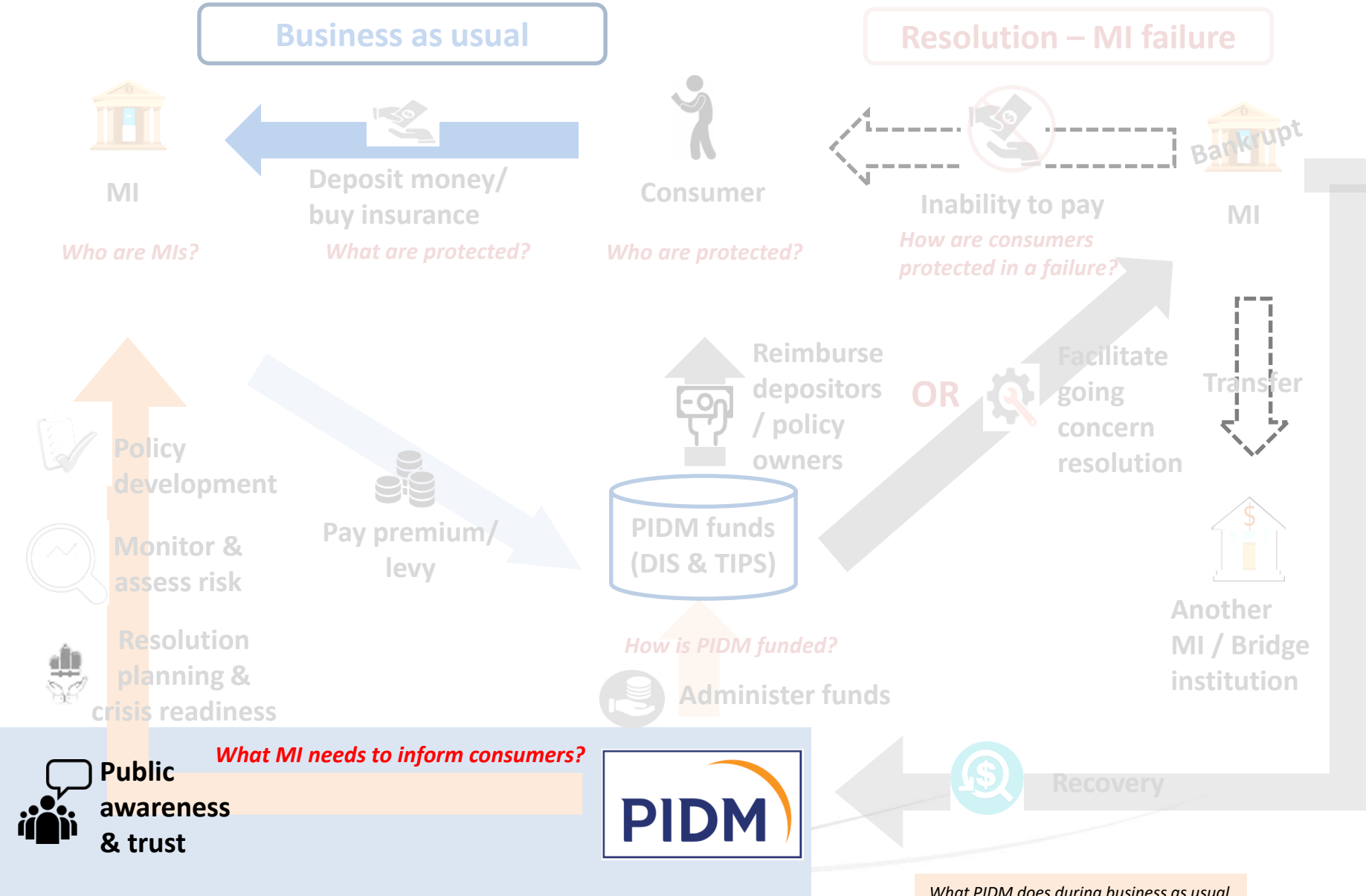
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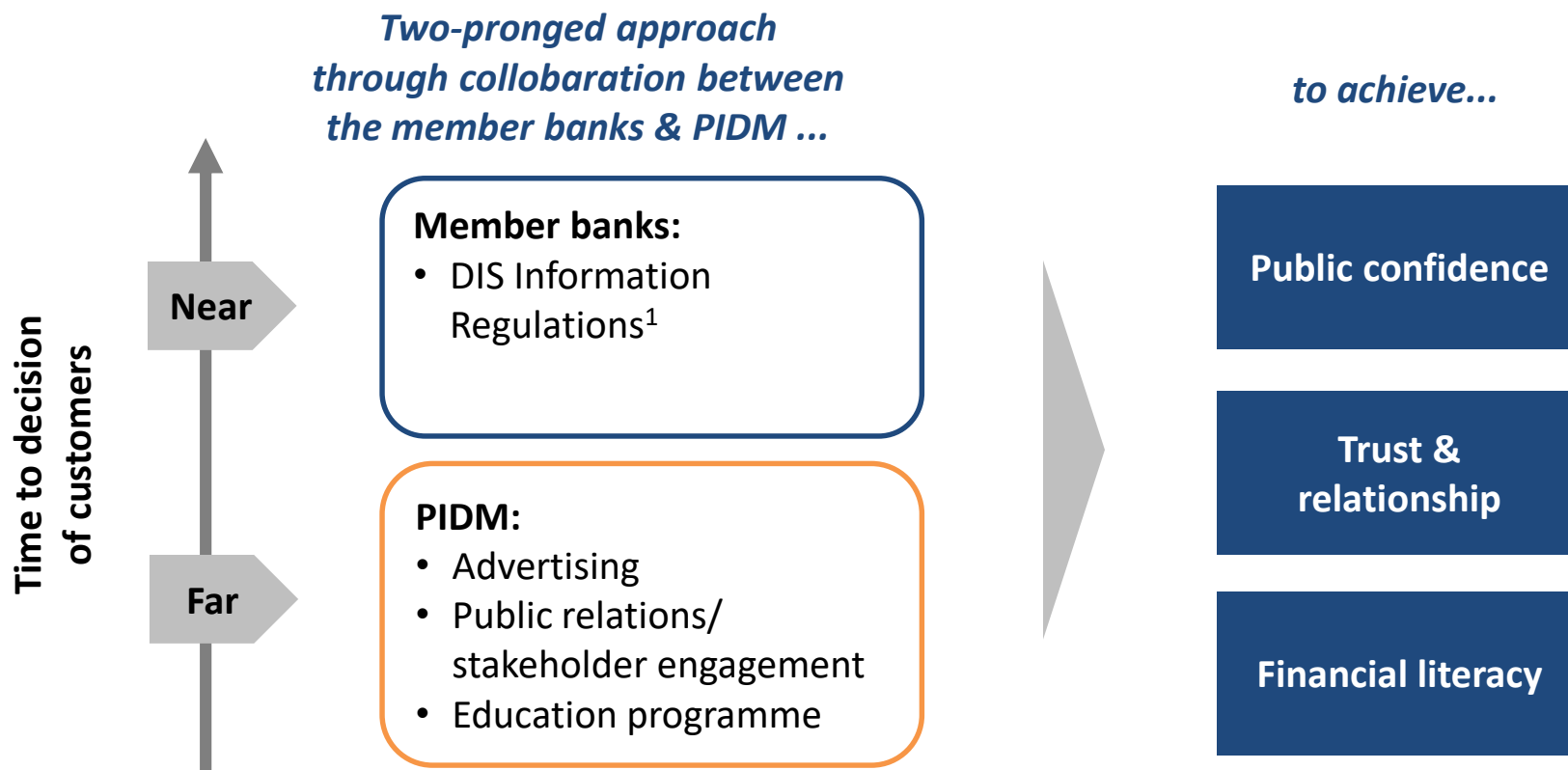
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- 1. What member institution needs to inform consumers?*
- 2. What member institution needs to do?*

# PIDM protects depositors and takaful or policy owners in the event of a MI failure: How does it work?



**PIDM adopts a collaborative approach with the member banks in public awareness to promote public confidence in the stability of the financial system**



<sup>1</sup> Refer to:

- Malaysia Deposit Insurance Corporation (Provision of Information on Deposit Insurance) Regulations 2011, as amended by Malaysia Deposit Insurance Corporation (Provision of Information on Deposit Insurance) (Amendment) Regulations 2019;
- Guidelines on Provision of Information on Deposit Insurance (issue date: 18 May 2022); and
- FAQs on Provision of Information on Deposit Insurance.

**1** *What MI needs to inform consumers?*

**Member banks are to provide timely and accurate information on PIDM's protection to their prospective and existing customers at every "teachable moment" to empower informed and sound decision-making**

*Member banks are to convey information to their prospective or existing customers*

Make clear representation about their membership in PIDM

**1**

Disclose whether or not deposit products are protected by PIDM

**2**

Provide accurate information on PIDM

**3**



**Upon commencement of banking business**

*To inform customers about the availability of PIDM's protection*



**Contractual process for the sales of deposit product**

*To facilitate information gathering and informed decision-making by customers, and promote continuous awareness of existing depositors*



**Supported by the member banks' internal processes**

*To ensure readiness of the member banks, including their employees and agents, in complying with the disclosure requirements*

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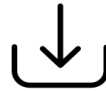
**Active involvement of member banks at each stage of the deposit contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing depositors**



### Pre-contractual

**Deposit product advertisements**

- Display PIDM membership representation and insurability statement



### At Point of Sale

**Opening of a deposit account**

- Explain PIDM's protection to customers
- Applicable to deposit account opening at all distribution channels of member banks and their agents



### At / After Conclusion of Contract

**Instruments**

**Purchase of non-deposit or non-DTM products through member bank**

- Inform insurability status of existing deposit account and money withdrawn from deposit account to purchase non-deposit or non-DTM products

**Active involvement of member banks at each stage of the deposit contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing depositors**



### Pre-contractual

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- Inform insurability status of existing deposit account and money withdrawn from deposit account to purchase non-deposit or non-DTM products

Member banks are to include membership representation and insurability statement in deposit product advertisements to facilitate information gathering by customers

Modes of deposit product advertisement



Print advertisement



Billboard advertisement



Television advertisement



Online advertisement\*

Example of advertisement in newspapers

**Newspaper**

# THE MALAYSIAN

**ABC BANK**
*Member of PIDM*


**ABC SMART SAVINGS ACCOUNT**  
*Protected by Perbadanan Insurans Deposit Malaysia up to RM250,000 for each depositor.*

**Start saving your money with this savings account**

Enjoy a competitive 1-month fixed deposit rate for savings up to RM50,000.

Interest rates are compounded daily and credited into the account monthly.

**REQUIREMENTS:**  
 \*Age Eligibility: 18 years old and above.  
 \*Valid for Malaysian citizens only.



1 Membership representation (statement form) placed close to the name of the DTM.

1 Membership representation

2 Insurability statement placed close to the part of the advertisement dealing with insured deposit.

2 Insurability statement

\* including website, mobile application, sponsored blog posts, social networking sites and emails

This information/document has been classified: Public

## Pre-contractual disclosure: Advertisement

### Applicability

**Advertisement that:**

► Deals with **Deposits**

► Involves

**DTM** only; and

**DTM** + **Non-DTM**

### Disclosure Requirements

#### Type of Advertisement

#### Membership Representation

#### Insurability Statement

#### With specific deposits

*(With assigned product code by PIDM)*



Graphical; or  
Statement form  
*Close to the name of  
the member bank*



*On the page & close to  
the deposit referred to  
for the 1<sup>st</sup> time*



Graphical; or  
Statement form  
*Close to the name of  
the member bank*



Include; or refer  
readers to member  
bank's List of  
Insured Deposits

#### With solely non-deposit products\*



Discouraged



Not required

#### Required by other financial regulatory authorities in Malaysia



Not required



*Flexible placement*

\* If a member bank opts to display its membership representation in such advertisement, the member bank shall make it clear that the non-deposit product is not protected by PIDM to avoid misleading its customer

**Active involvement of member banks at each stage of the deposit contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing depositors**



### Pre-contractual

Deposit product advertisements

- Display PIDM membership representation and insurability statement



### At Point of Sale

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### At / After Conclusion of Contract

Instruments

Purchase of non-deposit or non-DTM products through member bank

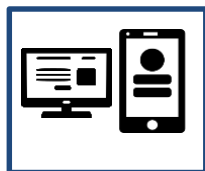
- Inform insurability status of existing deposit account and money withdrawn from deposit account to purchase non-deposit or non-DTM products

## Member banks are to inform customers on PIDM's protection during deposit account opening

Distribution channels / Modes of deposit account opening



*In-branch  
banking*



*e-banking*



*Phone  
banking*

Immediately before deposit account opening, member banks are to:

1

Inform whether or not a deposit product is protected by PIDM  
*(insurability status)*

2

Provide a DIS Brochure  
*(printed copy or hyperlink)*

3













Request for acknowledgement  
in writing\*

\* Acknowledgement that:

- (a) customer has been notified of the insurability status of the deposit product; and
- (b) has received the DIS Brochure.

If the insured deposit is a trust account, the member bank shall inform its customer (who acts as a trustee) of his obligations under the MDIC (Disclosure Requirements for Trust Accounts and Joint Accounts) Regulations 2012, as amended by the MDIC (Disclosure Requirements for Trust Accounts and Joint Accounts) (Amendment) Regulations 2022.

## Disclosure at point of sale (also applicable to member bank's agent)

Applicability	Disclosure Requirements		
Modes of deposit account opening	Inform Insurability Status	Provide DIS Brochure	Request for Acknowledgement*
 <p><i>In-branch banking</i></p>		 <i>Printed copy</i>	 <i>In writing</i>
 <p><i>e-banking</i> (including internet banking &amp; mobile banking through mobile application)</p>	 <i>Transaction page</i>	 <i>Hyperlink</i>	 <i>In writing</i>
 <p><i>Phone banking</i></p>	 <i>Verbal</i>	 <i>Hyperlink</i>	 <i>In writing</i>

\* Acknowledgement that:

- (a) customer has been notified of the insurability status of the deposit product; and
- (b) has received the DIS Brochure.

## Disclosure at point of sale - Example

ILLUSTRATION 13:

A WRITTEN ACKNOWLEDGEMENT BY A DEPOSITOR WHEN OPENING  
AN INSURED DEPOSIT (PRINTED COPY)

Refer to paragraph 9.8

**ABC BANK**

**SUPPLEMENTARY DOCUMENT: ACCOUNT OPENING ACKNOWLEDGEMENT**

**PRODUCT: ABC FIXED DEPOSIT\***

I, (name of customer) ..... (ID Number) ....., hereby confirm that the below information was disclosed to me:

- (a) I have been informed that the ABC fixed deposit is protected by PIDM up to RM250,000 for each depositor; and
- (b) I have received a copy of PIDM's DIS Brochure.

Signature: .....

Date: .....

\*Protected by PIDM up to RM250,000 for each depositor.

*DTM is encouraged to place the insurability statement in the document that is produced at the point of sale.*

*Request for acknowledgement from a prospective customer that he has been notified of the insurability status of the deposit, and that he has received PIDM's DIS Brochure.*

**Refer to the Guidelines on Provision of Information on Deposit Insurance for more illustrations**

This information/document has been classified: Public



## Disclosure at point of sale - Example

ILLUSTRATION 14:

AN ACKNOWLEDGEMENT BY A DEPOSITOR WHEN OPENING AN INSURED DEPOSIT  
(ELECTRONIC COPY – WEBSITE)

Refer to paragraph 9.9

**Apply Online**

Notes:  
Please enter your Account details

Apply Online - Step 1 of 3

**Applicant's Details**

Name: Ali bin Abu

**Account's Details**

Account Type: Personal Savings Account

Product Type: ABC Smart Savings *Protected by PIDM up to RM250,000 for each depositor*

Email Address: ali.b.abu@yahoo.com

Fund your ABC Smart Savings first deposit from: ABC Basic Savings

Amount: RM 1,000.00

☐ I have read and understand the [Product Features](#)

☐ I understand that this account is Protected by PIDM up to RM250,000 for each depositor.

☐ I have received a copy of [PIDM's DIS Brochure](#)

*DTM is encouraged to place the insurability statement in the document that is produced at the point of sale.*

*Hyperlink to PIDM's DIS Brochure. Upon clicking, redirect to a webpage within the DTM's website or a webpage within PIDM's website, where PIDM's DIS Brochure is displayed.*

*Insurability statement displayed on the transaction page for account opening.*

*Request for acknowledgement from a prospective customer that he has been notified of the insurability status of the deposit, and that he has received PIDM's DIS Brochure.*

**Refer to the Guidelines on Provision of Information on Deposit Insurance for more illustrations**

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## Disclosure at point of sale - Example

ILLUSTRATION 15:  
DISCLOSURE REQUIREMENTS FOR OPENING OF AN INSURED DEPOSIT  
THROUGH MOBILE APPLICATION  
Refer to paragraph 9.9

**SCREEN 1: PLACE A FIXED DEPOSIT**

ABC Fixed Deposit Individual 5 months tenure

ABC Basic Savings Account 11425404695

**FIXED DEPOSIT AMOUNT**  
RM 1,000.00

**FIXED DEPOSIT ACCOUNT NUMBER**  
Please select

**INTEREST PAYMENT FREQUENCY**  
On Maturity

**INTEREST PAYMENT MODE**  
Add To Principal

**INSTRUCTION ON MATURITY**  
Auto Renewal

**PROCEED**

**SCREEN 2: PLACEMENT DETAILS**

**FROM ACCOUNT**  
ABC BASIC SAVINGS ACCOUNT  
11425404695

**FIXED DEPOSIT ACCOUNT NUMBER**  
21471241821

**FIXED DEPOSIT AMOUNT**  
RM 1,000.00

**INTEREST PAYMENT FREQUENCY**  
On Maturity

**INTEREST PAYMENT MODE**  
Add To Principal

**INSTRUCTION ON MATURITY**  
Auto Renewal

**I AGREE CONFIRM**

**Callout 1 (from 'I AGREE CONFIRM'):**  
Request for acknowledgement from a prospective customer that he has been notified of the insurability status of the deposit, and that he has received PIDM's DIS Brochure.

**Callout 2 (from 'I AGREE CONFIRM'):**  
Insurability statement displayed on the transaction page for account opening.

**Callout 3 (from 'I AGREE CONFIRM'):**  
Hyperlink to PIDM's DIS Brochure. Upon clicking, redirect to a page within the mobile application, or a webpage within the DTM's website, or a webpage within PIDM's website, where PIDM's DIS Brochure is displayed.

**Callout 4 (from 'I AGREE CONFIRM'):**  
I understand that this account is Protected by PIDM up to RM250,000 for each depositor.  
I have received a copy of PIDM's DIS Brochure

Refer to the Guidelines on Provision of Information on Deposit Insurance for more illustrations

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**Active involvement of member banks at each stage of the deposit contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing depositors**



### Pre-contractual

Deposit product advertisements

- Display PIDM membership representation and insurability statement



### At Point of Sale

Opening of a deposit account

- Explain PIDM's protection to customers
- Applicable to deposit account opening at all distribution channels of member banks and their agents



### At / After Conclusion of Contract

Instruments

Purchase of non-deposit or non-DTM products through member bank

- Inform insurability status of existing deposit account and money withdrawn from deposit account to purchase non-deposit or non-DTM products

Member banks are to include insurability statement in their instruments evidencing deposits and notify depositors on any change in insurability status of an insured deposit to promote continuous awareness of existing depositors

### Instruments evidencing deposits



Printed form



e-form

*Passbook, fixed deposit certificate  
& statement of account*



### **Insurability Statement**

### Change in insurability status of an insured deposit

A member bank shall:

- 1 notify each depositor individually...
- 2 at least 21 calendar days prior to effective date of the change or such other period specified by PIDM...
- 3 using any mode of communication deemed most effective by the member bank.



### Issued instruments

- For instrument issued before 1 August 2019 and where such issued instrument is presented by a depositor to a member bank for the first time, a member bank shall include the relevant insurability statement on the issued instrument.
- Employees of the member banks are encouraged to make reference to the List of Insured Deposits to ensure correct representation of the insurability status.

Where a depositor purchases a non-deposit or non-DTM deposit product from member bank using his existing insured deposits, member bank is to make relevant disclosure to the depositor to increase his awareness that PIDM's protection is limited to eligible deposits

### Applicability

- A member bank is acting as a distribution or marketing agent for non-deposit or non-DTM deposit products **+**
- **FOR FIRST TIME PURCHASE** at all distribution channels: A depositor of the member bank withdraws from his existing insured deposits to purchase a new non-deposit or a non-DTM deposit product from the member bank

Member banks are to make the following **TARGETED DISCLOSURE** to **EACH** depositor:

#### For takaful or insurance product<sup>^</sup>

1

Inform the depositor to contact PIDM to obtain further information relating to TIPS

2

May provide a copy of the TIPS Brochure to the depositor

<sup>^</sup> Refer to disclosure requirements for TIPS, once it comes into force on 1 June 2024.

#### For other non-deposit or non-DTM deposit products\*

1

Inform that such product is not protected by PIDM

2

Inform that any money withdrawn from the insured deposits to purchase such product is no longer protected by PIDM

3

Request for acknowledgement in writing

\* Examples of other non-deposit products: unit trust schemes, investment account; non-DTM deposit products: savings account of Lembaga Tabung Haji & savings scheme of Skim Simpanan Pendidikan Nasional

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Where a depositor purchases a non-deposit or non-DTM deposit product from member bank using his existing insured deposits, member bank is to make relevant disclosure to the depositor to increase his awareness that PIDM's protection is limited to eligible deposits (Cont'd)

### Applicability

- A member bank is acting as a distribution or marketing agent for non-deposit or non-DTM deposit products **+**
- **FOR SUBSEQUENT PURCHASE** at all distribution channels: A depositor of the member bank withdraws from his existing insured deposits to purchase a new non-deposit or a non-DTM deposit product from the member bank

Member banks are to make the following **GENERAL NOTIFICATION\*** to depositors:

#### For takaful or insurance product<sup>^</sup>

1

Inform the depositor to contact PIDM to obtain further information relating to TIPS

#### For other non-deposit or non-DTM deposit products\*\*

1

Inform that such product is not protected by PIDM

2

Inform that any money withdrawn from the insured deposits to purchase such product is no longer protected by PIDM

<sup>^</sup> Refer to disclosure requirements for TIPS, once it comes into force on 1 June 2024.

\* General notification can be made, for example, by displaying a general statement:

- at the branch counter, information board or LCD panel;
- on the internet transaction webpage; or
- on any of the member bank's instruments or documents.

\*\* Examples of other non-deposit products: unit trust schemes, investment account; non-DTM deposit product: savings account of Lembaga Tabung Haji & savings scheme of Skim Simpanan Pendidikan Nasional, and includes transfer to a deposit account payable outside Malaysia and a deposit account held by a financial institution conducting Labuan banking business or Labuan Islamic banking business.

## Disclosure at and after the conclusion of contract - Example

**ILLUSTRATION 19:**  
**A WRITTEN ACKNOWLEDGEMENT BY A DEPOSITOR WHEN PURCHASING**  
**A NON-DTM PRODUCT FROM A DTM (PRINTED COPY)**  
Refer to paragraph 10.15

**ABC BANK**

***SUPPLEMENTARY DOCUMENT: ACKNOWLEDGEMENT***

I, (name of customer) ..... (ID Number)....., hereby confirm that the below information was disclosed to me:

- (a) unit trust scheme / savings account of Lembaga Tabung Haji / savings scheme of Skim Simpanan Pendidikan Nasional\* is not protected by PIDM; and
- (b) any money withdrawn from an insured deposit for the purpose of purchasing any units in a unit trust scheme / opening of a savings account at Lembaga Tabung Haji / opening of a savings scheme of Skim Simpanan Pendidikan Nasional\* is no longer protected by PIDM.

Signature: .....

Date: .....

*\*to strike off, where appropriate*

*Request for acknowledgement from a depositor that he has been notified of the insurability status of the product, and the money withdrawn from his insured deposit is no longer insured by PIDM.*

***Refer to the Guidelines on Provision of Information on Deposit Insurance for more illustrations***

This information/document has been classified: Public



## Disclosure at and after the conclusion of contract - Example

### ILLUSTRATION 20: GENERAL NOTIFICATION TO DEPOSITORS FOR SUBSEQUENT PURCHASE OF OR TRANSFER INTO A NON-DTM PRODUCT OR A NON-DEPOSIT PRODUCT FROM A DTM (LOGIN PAGE OF INTERNET BANKING)

Refer to paragraph 10.20

The screenshot shows the login page of ABC Bank. The header is yellow with 'ABC Bank' text. The main area has a green background with a login form containing a text input field and a yellow 'LOGIN' button with a lock icon. A speech bubble points to the login form with the text: 'General notification to the depositors of a DTM on the login page of internet banking.' On the right, a yellow sidebar titled 'Announcements' contains an 'Important Notice' in bold red text: 'Money withdrawn from your insured deposit(s) is no longer protected by PIDM if transferred to a:'. Below this are four bullet points (a) through (d) in red text, detailing conditions under which funds are no longer protected by PIDM.

**ABC Bank**

**Announcements**

**Important Notice**  
**Money withdrawn from your insured deposit(s) is no longer protected by PIDM if transferred to a:**

- (a) deposit account payable outside Malaysia;**
- (b) deposit account held by a financial institution conducting Labuan banking business or Labuan Islamic banking business;**
- (c) deposit account held by a non-DTM; or**
- (d) non-deposit account (e.g. unit trust, securities trading account).**

Authorise your mobile app transactions with easy, secure one-tap approval. Extra sec mobile banking tra

General notification to the depositors of a DTM on the login page of internet banking.

*Refer to the Guidelines on Provision of Information on Deposit Insurance for more illustrations*

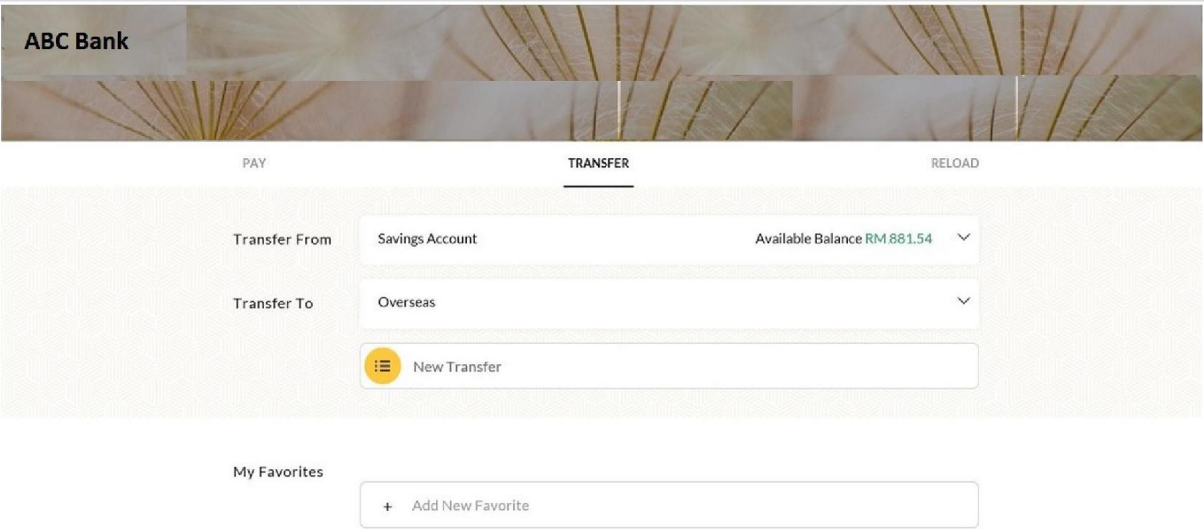


## Disclosure at and after the conclusion of contract - Example

ILLUSTRATION 21:

GENERAL NOTIFICATION TO DEPOSITORS FOR SUBSEQUENT PURCHASE OF OR TRANSFER  
INTO A NON-DTM PRODUCT OR A NON-DEPOSIT PRODUCT FROM A DTM  
(TRANSACTION PAGE OF INTERNET BANKING)

Refer to paragraph 10.20



The screenshot shows the 'TRANSFER' tab selected in the ABC Bank internet banking interface. The 'Transfer From' dropdown is set to 'Savings Account' with an available balance of RM1,881.54. The 'Transfer To' dropdown is set to 'Overseas'. Below these are buttons for 'New Transfer' and 'My Favorites' with an 'Add New Favorite' option. A red warning message at the bottom states: '\*Money withdrawn from your insured deposit(s) is no longer protected by PIDM if transferred to overseas branches / banks'.

ABC Bank

PAY TRANSFER RELOAD

Transfer From Savings Account Available Balance RM1,881.54

Transfer To Overseas

New Transfer

My Favorites

+ Add New Favorite

*\*Money withdrawn from your insured deposit(s) is no longer protected by PIDM if transferred to overseas branches / banks*

OR  
General notification to the  
depositors of a DTM on the  
transaction page of internet  
banking.

**Refer to the Guidelines on Provision of Information on Deposit Insurance for more illustrations**

## Checklist for front line officers of member banks

		Inform of PIDM's protection	Provide PIDM Brochure	Request for acknowled- gement	Reference
Opening of deposit or purchase of other products from member bank	Deposit product	✓	✓	✓	Slide 54, 60
	Takaful or insurance product*	✓	✓ <i>Optional</i>	✗	Slide 61
	Subsequent purchase	✓	✗	✗	Slide 62
	Other non-deposit / non-DTM deposit products*	✓	✗	✓	Slide 61
	Subsequent purchase	✓	✗	✗	Slide 62

\* Purchase through member banks using money withdrawn from existing insured deposits.



Required



Not Required

## 2 What MI needs to do?

**Member banks are to provide timely and accurate information on PIDM's protection to their prospective and existing customers at every "teachable moment" to empower informed and sound decision-making**

*Member banks are to convey information to their prospective or existing customers*

Make clear representation about their membership in PIDM

1

Disclose whether or not deposit products are protected by PIDM

2

Provide accurate information on PIDM

3



### **Upon commencement of banking business**

*To inform customers about the availability of PIDM's protection*



### **Contractual process for the sales of deposit product**
























*To facilitate information gathering and informed decision-making by customers, and promote continuous awareness of existing depositors*



### **Supported by the member banks' internal processes**

*To ensure readiness of the member banks, including their employees and agents, in complying with the disclosure requirements*

# Member banks are to inform customers about the availability of PIDM's protection through display of deposit insurance information materials

	<b>Membership on PIDM</b> <b>Membership Representation</b>  <b>For premises only</b> <b>Other than premises</b>	<b>Information on PIDM's protection</b> <b>DIS Brochure<sup>1</sup></b> 	<b>List of Insured Deposits</b> 
 <b>Premises</b> <i>(main entrance of branch)</i>	 <b>Graphical form - Printed copy</b>	 <b>Printed copy</b> <i>*Provide to customers at no charge</i>	 <b>Notice on availability of the List</b> <i>- Printed or e-copy</i> <i>* Display of List is optional</i>
 <b>Self-service terminal</b> <i>(e.g. automated teller machine)</i>	 <b>Graphical form - e-copy or Statement form - Printed copy<sup>2</sup></b>	 <b>"Call for action statement"<sup>3</sup></b> <i>- Printed or e-copy<sup>4</sup></i>	 <b>Not required</b>
 <b>Website</b>	 <b>Graphical form - e-copy</b>	 <b>Hyperlink to the e-copy of the DIS Brochure</b>	 <b>Hyperlink to the e-copy of the List</b>
 <b>Mobile application<sup>5, 6</sup></b>	 <b>Graphical form - e-copy or Statement form</b>	 <b>Hyperlink to the e-copy of the DIS Brochure</b>	 <b>Hyperlink to the e-copy of the List</b>
 <b>Social networking site</b> <i>(e.g. Facebook, LinkedIn, Instagram)</i>	 <b>Graphical form - e-copy or Statement form</b>	 <b>Not required</b>	 <b>Not required</b>

1 Encouraged to display TIPS Brochure if a member bank is a bancassurance or bancatakaful partner of PIDM's insurer members.

2 Where there is no display screen or the size of the screen is too small.

3 A statement informing the public that copies of the DIS brochures can be obtained at its premises, its websites and PIDM's website.

4 Follow display of membership representation.

5 Encouraged for mobile application, if there is physical head office, headquarter or branch where deposit-taking activity is conducted.

6 Mandatory for mobile application, if there is no physical head office, headquarter or branch where deposit-taking activity is conducted.

# Deposit insurance information materials: Materials provided by PIDM

Request for materials from PIDM's website [www.pidm.gov.my](http://www.pidm.gov.my)

## Deposit Insurance Information Materials

Home / For Member Institutions / Deposit Insurance Information Materials

### Membership Representation

#### Graphical form



**Printed copy:  
For premises only**  
**No modifications  
and reproduction  
allowed**



**Electronic or e-copy:  
Other than premises**  
**Can resize but  
proportions and colours  
maintained**

#### Statement form

1. "Member of Perbadanan Insurans Deposit Malaysia";
2. "Member of PIDM" or "A PIDM member";
3. "(name of the DTM) is a member of Perbadanan Insurans Deposit Malaysia"; or
4. "(name of the DTM) is a member of PIDM".

**No modifications  
allowed**

*Refer to next slide for statements in  
Bahasa Malaysia, Chinese and  
Tamil*

### DIS & TIPS Brochures



#### Printed copy

Available in bilingual version  
i.e. English & Bahasa Malaysia version;  
and Chinese & Tamil version

#### e-copy

Available in all four (4) languages

**Discouraged from printing e-copy, however allowed  
as a temporary measure & must be printed in colour**

## Membership representation in statement form in various languages

<b>English</b>
<ol style="list-style-type: none"> <li>1. “Member of Perbadanan Insurans Deposit Malaysia”;</li> <li>2. “Member of PIDM” or “A PIDM member”;</li> <li>3. “(name of the DTM) is a member of Perbadanan Insurans Deposit Malaysia”; or</li> <li>4. “(name of the DTM) is a member of PIDM”.</li> </ol>
<b>Bahasa Malaysia</b>
<ol style="list-style-type: none"> <li>1. “Ahli Perbadanan Insurans Deposit Malaysia”;</li> <li>2. “Ahli PIDM”;</li> <li>3. “(nama DTM) adalah ahli Perbadanan Insurans Deposit Malaysia”; atau</li> <li>4. “(nama DTM) adalah ahli PIDM”.</li> </ol>
<b>Chinese</b>
<ol style="list-style-type: none"> <li>1. “马来西亚存款保险机构的成员” ;</li> <li>2. “PIDM 的成员” ;</li> <li>3. “(成员银行名称) 是马来西亚存款保险机构的成员” ; 或</li> <li>4. “(成员银行名称) 是 PIDM 的成员” .</li> </ol>
<b>Tamil</b>
<ol style="list-style-type: none"> <li>1. “மலேசிய வைப்புத்தொகை காப்புறுதிக் கழகத்தின் உறுப்பினர்” ;</li> <li>2. “PIDM-மின் உறுப்பினர்” ;</li> <li>3. “(வங்கியின் பெயர்) மலேசிய வைப்புத்தொகை காப்புறுதிக் கழகத்தின் உறுப்பினர்” ; அல்லது</li> <li>4. “(வங்கியின் பெயர்) PIDM-மின் உறுப்பினர்”.</li> </ol>

## Deposit insurance information materials: Materials to be prepared by member banks

### List of insured deposits

#### *Member bank to prepare list containing:*

- each type of insured deposits offered by the member bank; and
- the product code assigned by PIDM to each insured deposit.

#### **Insured deposits certified by PIDM in accordance with the Guidelines on Submission of Deposit Product Information**

#### *Sample:*

ABC BANK			
LIST OF INSURED DEPOSITS			
Deposit Product Name	Product Code	Deposit Type	Currency
1. ABC Basic Savings Account	0201CR0200000001	Savings Deposit	Ringgit Malaysia
2. ABC Smart Savings Account	0201CR0200000002	Savings Deposit	Ringgit Malaysia
3. ABC Company Current Account	0201CR0100000003	Demand Deposit	Ringgit Malaysia
4. ABC Foreign Currency Account	0201CF0100000004	Demand Deposit	Foreign Currency
5. ABC Fixed Deposit	0201CF0300000005	Fixed Deposit	Foreign Currency
6. Fixed Deposit 55	0201CM0300000006	Fixed Deposit	Ringgit Malaysia & Foreign Currency

### Insurability Statements

#### *For insured deposit*

1. "Protected by PIDM up to RM250,000 for each depositor"; or
2. "Protected by Perbadanan Insurans Deposit Malaysia up to RM250,000 for each depositor".

#### *For uninsured deposit*

1. "Not protected by PIDM"; or
2. "Not protected by Perbadanan Insurans Deposit Malaysia".

#### **No modifications allowed**

*Refer to next slides for statements in Bahasa Malaysia, Chinese and Tamil*

## Insurability statements in various languages

### A. For insured deposit

English
<ol style="list-style-type: none"> <li>1. “Protected by PIDM up to RM250,000 for each depositor”; or</li> <li>2. “Protected by Perbadanan Insurans Deposit Malaysia up to RM250,000 for each depositor”.</li> </ol>
Bahasa Malaysia
<ol style="list-style-type: none"> <li>1. “Dilindungi oleh PIDM setakat RM250,000 bagi setiap pendeposit”; atau</li> <li>2. “Dilindungi oleh Perbadanan Insurans Deposit Malaysia setakat RM250,000 bagi setiap pendeposit”.</li> </ol>
Chinese
<ol style="list-style-type: none"> <li>1. “每名存款人获 PIDM 保障高达 RM250,000” ; 或</li> <li>2. “每名存款人获马来西亚存款保险机构保障高达 RM250,000” .</li> </ol>
Tamil
<ol style="list-style-type: none"> <li>1. “ஒர் வைப்புத்தொகையாளருக்கு RM250,000 வரை PIDM பாதுகாப்பளிக்கிறது” ; அல்லது</li> <li>2. “ஒர் வைப்புத்தொகையாளருக்கு RM250,000 வரை மலேசிய வைப்புத்தொகை காப்புறுதிக் கழகம் பாதுகாப்பளிக்கிறது”.</li> </ol>



## Insurability statements in various languages

### B. For uninsured deposit

English
<ol style="list-style-type: none"> <li>1. “Not protected by PIDM”; or</li> <li>2. “Not protected by Perbadanan Insurans Deposit Malaysia”.</li> </ol>
Bahasa Malaysia
<ol style="list-style-type: none"> <li>1. “Tidak dilindungi oleh PIDM”; atau</li> <li>2. “Tidak dilindungi oleh Perbadanan Insurans Deposit Malaysia”.</li> </ol>
Chinese
<ol style="list-style-type: none"> <li>1. “不获 PIDM 保障” ; 或</li> <li>2. “不获马来西亚存款保险机构保障” .</li> </ol>
Tamil
<ol style="list-style-type: none"> <li>1. “PIDM-ஆல் பாதுகாக்கப்படாதவை” ; அல்லது</li> <li>2. “மலேசிய வைப்புத்தொகை காப்புறுதிக் கழகத்தால் பாதுகாக்கப்படாதவை”.</li> </ol>

## 2 What MI needs to do?

**Member banks are to provide timely and accurate information on PIDM's protection to their prospective and existing customers at every "teachable moment" to empower informed and sound decision-making**

*Member banks are to convey information to their prospective or existing customers*

Make clear representation about their membership in PIDM

1

Disclose whether or not deposit products are protected by PIDM

2

Provide accurate information on PIDM

3



### Upon commencement of banking business

*To inform customers about the availability of PIDM's protection*



### Contractual process for the sales of deposit product

*To facilitate information gathering and informed decision-making by customers, and promote continuous awareness of existing depositors*



### Supported by the member banks' internal processes

*To ensure readiness of the member banks' including their employees and agents, in complying with the disclosure requirements*

## Member banks are to educate and train their employees and agents to prevent misrepresentation or provision of misleading information

### TRAINING

#### Attend by

Employees who deal directly with customers or prospective customers

Agents of the member banks

#### Frequency

At least once, within six (6) months from the date of appointment or employment, or such other period specified by PIDM

Upon any subsequent revision of the DIS Information Regulations

#### Approach

Conducted in a manner that is deemed most suitable and effective

Conduct refresher session on a periodic basis to reinforce understanding

## The internal audit function of the member banks are to conduct annual review of its compliance of the disclosure requirements

### ANNUAL REVIEW

#### Perform by

Internal audit function\*  
of the member banks

#### Frequency

Annually, and cover a  
12-month period  
(1 January to 31 December)

#### Submission to PIDM

Signed report & detailed  
action plans (if any)\*\* by 30  
April each year

Scanned copy via PIDM's  
Portal

*\*Or an external auditor*

*\*\*Sample template of report is available on PIDM's website [www.pidm.gov.my](http://www.pidm.gov.my), under Deposit Insurance Information Materials*



For a newly licensed member bank, the first review shall be conducted before the commencement of its operations. Further, for its first and second review, PIDM will specify the manner of the review and submission timeline.

## Member banks shall ensure its appointed agent complies with the relevant requirements in the DIS Information Regulations

### Compliance by member bank's agents\*



#### Compliance

- Comply with the relevant requirements;
- Make adequate and accurate disclosure that the person is an agent of a member bank; and
- Make accurate disclosure on the insurability status of the deposit.



#### Prohibition

- Represent itself, directly or indirectly, as a member of PIDM;
- Display or use any form of membership representation; and
- Display or use any statement or material relating to PIDM's protection (except material supplied by the member bank).

\* "Agent" means a person who is appointed by a member bank to undertake deposit-taking activity on its behalf and includes post office, petrol station, co-operative, telecommunication agent and retail outlet such as book shop, stationery shop, convenience store and grocery shop.

## **To learn more:**

**About Perbadanan Insurans Deposit  
Malaysia**



**Section I**

**Deposit Insurance System**



**Section II**

**Takaful and Insurance Benefits  
Protection System**



**Section III**

# Summary of Key Changes

## *[from 31 March 2020 version]*

Key changes	Reference page(s)
Update consequential amendments arising from amendments to the PIDM Act and other subsidiary legislation	5, 22, 24, 25, 26, 30, 38, 40, 41, 46, 54, 61, 62
Update information on member institutions and coverage to latest date (31 December 2022)	19, 20, 23, 35, 36
Update / clarify enhancements to the requirements in the DIS Information Regulations	51, 55, 58, 60, 68, 75, 76
Make editorial changes, for clarity	6, 9, 10, 12, 13, 18, 34, 45, 66
Update PIDM's contact details	80

# How can you contact PIDM?

Queries relating to the DIS Information Regulations can be directed to the following officers:



Policy Department



[policyenquiry@pidm.gov.my](mailto:policyenquiry@pidm.gov.my)

General enquiries can be directed through these communication channels:



**1-800-88-1266** (*Toll-free*)

• 8.30 am – 5.30 pm Mon-Fri

**03-2173 7436** (*General Line*)

**03-2265 6565** (*General Line*)



03-2173 7527

03-2260 7432



Corporate Communication Department  
Perbadanan Insurans Deposit Malaysia  
Level 12, Axiata Tower  
No. 9, Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur



[info@pidm.gov.my](mailto:info@pidm.gov.my)

[www.pidm.gov.my](http://www.pidm.gov.my)