

# 10<sup>th</sup> DICJ Roundtable

## Panel Discussion 1: Current topics in jurisdictions of deposit insurers in Asian countries

Development of effective resolution regime in Malaysia

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Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

# Agenda

1

## Introduction

- Establishment of an effective resolution regime as PIDM's strategic priority

2

## The journey for Malaysia: Where we are now?

- Effective resolution regime for Malaysia
  - Resolution funding

3

## Preliminary conclusion

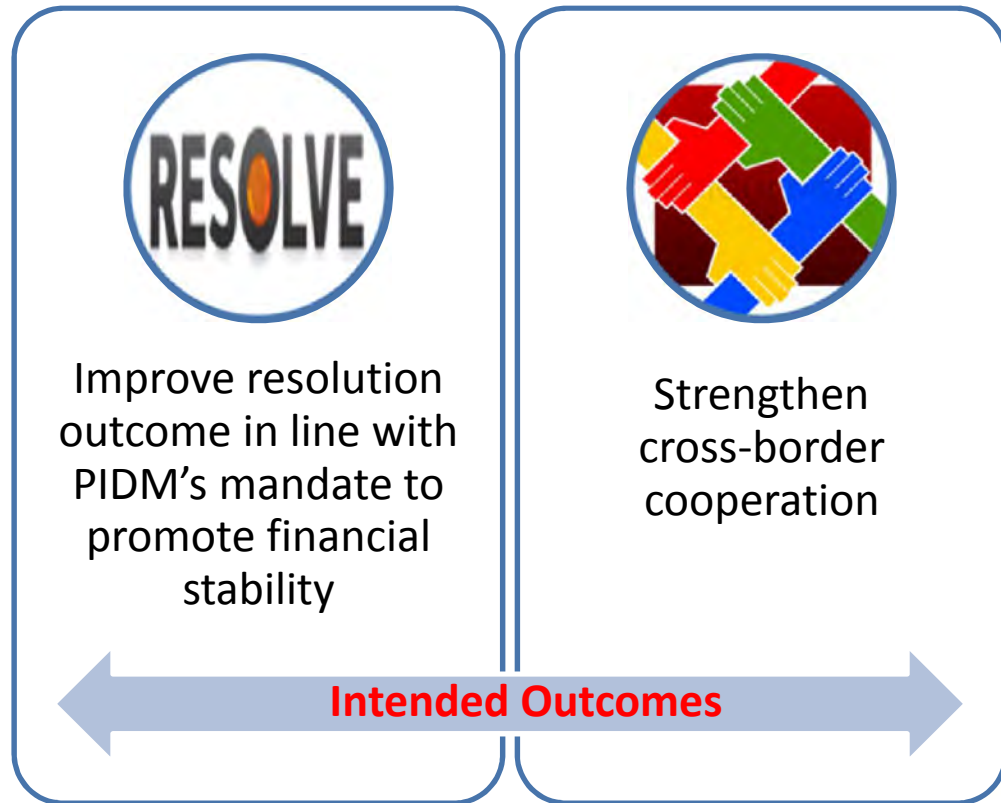
- Lessons learned – some thoughts

**Introduction**

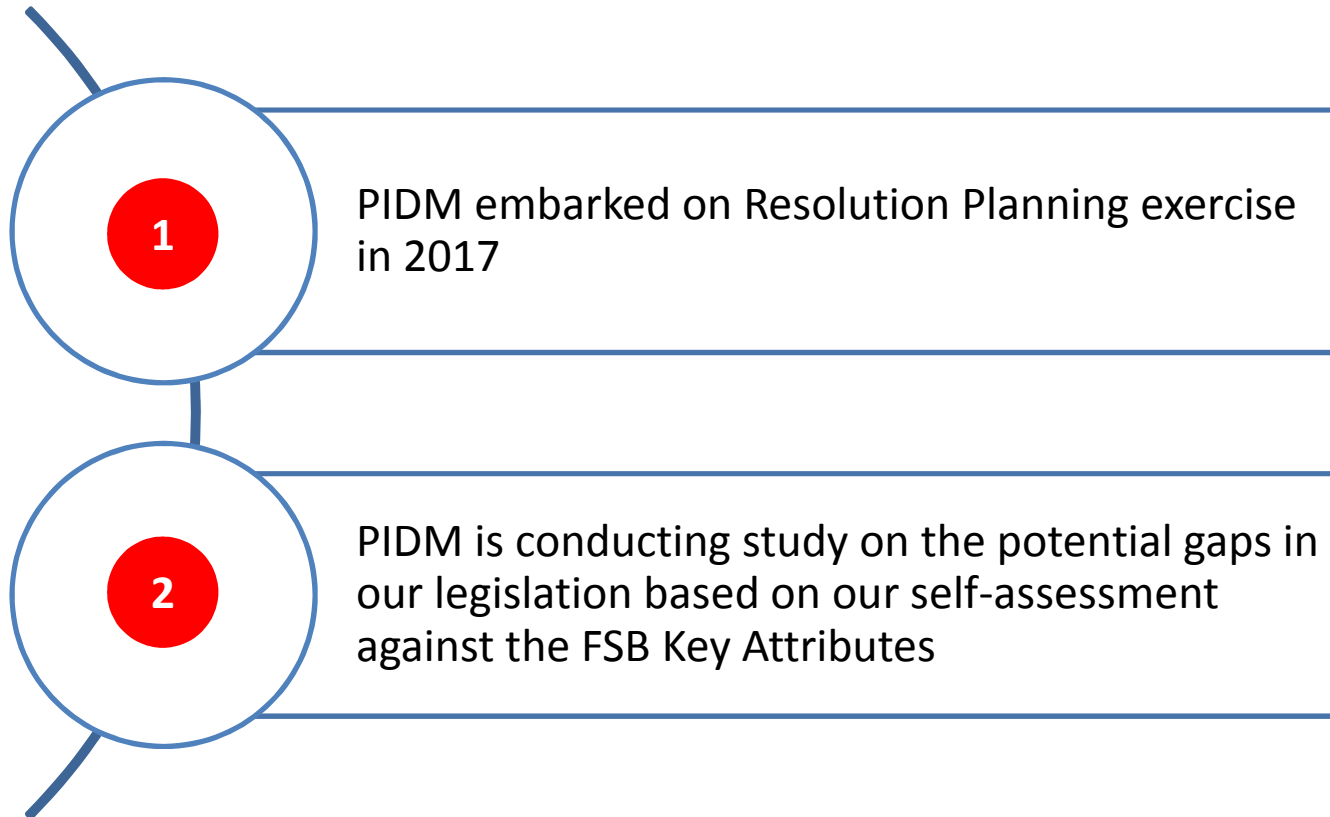
**A strategic priority for PIDM is to establish an effective resolution regime for Malaysia, guided by the Financial Stability Board’s Key Attributes of Effective Resolution Regimes for Financial Institutions (FSB Key Attributes)**



**Malaysia Deposit Insurance Corporation (PIDM)** is the deposit insurer and resolution authority for 89 member institutions (MIs)






## PIDM: Where we are now?



**Policy consideration: Resolution funding**

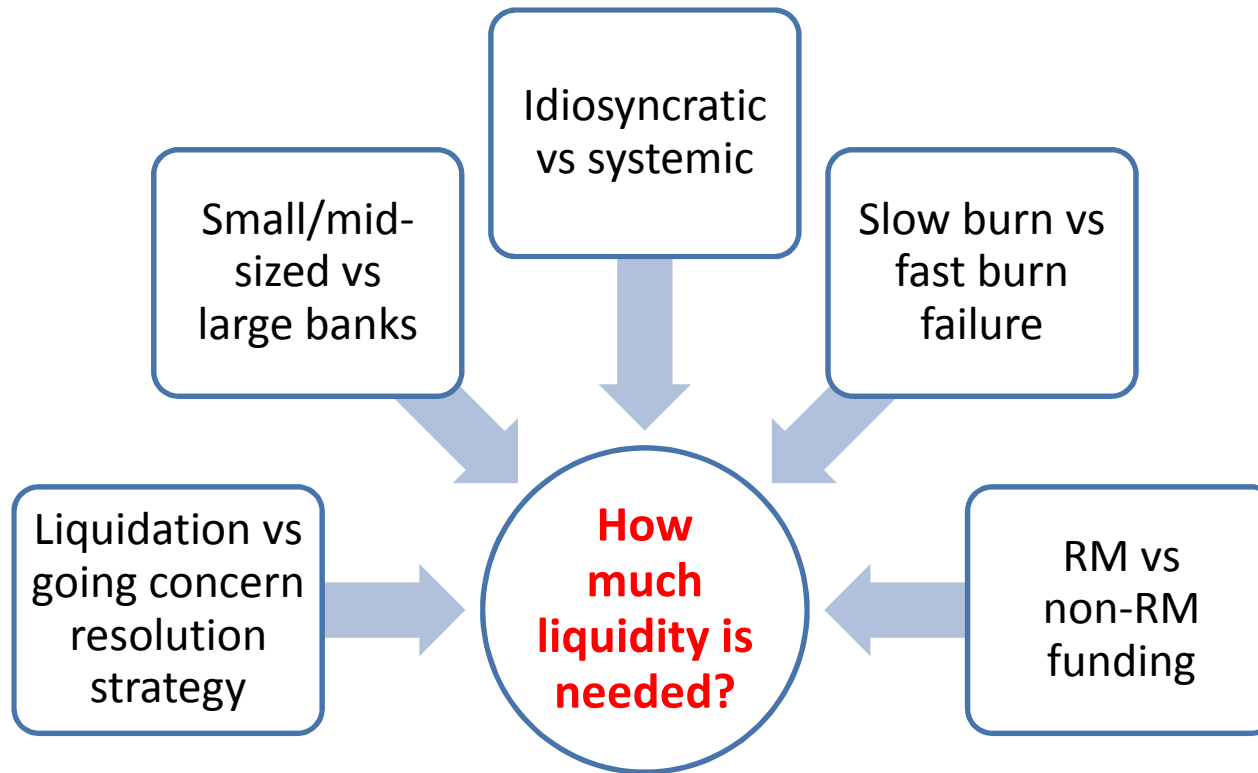
**PIDM focuses on liquidity provisioning in resolution that is an essential aspect of a credible and feasible resolution plan**

**Policy issues for considerations:**

		
<p><b>Should there be a separate resolution fund and deposit insurance fund?</b></p> <p>Depending on jurisdictions and mandate?</p>	<p><b>Would the concept of expected net loss used for target fund still be applicable?</b></p> <p>To incorporate liquidity related assumptions in target fund?</p>	<p><b>When can a financial institution in resolution resume its access to central bank facilities?</b></p> <p>After recapitalisation following the resolution weekend?</p>

**Policy consideration: Resolution funding**

**PIDM is at the early stage of developing the methodology for assessing potential liquidity needs at resolution**



## Lessons learned – some thoughts

1

Be engaged & work collaboratively

### Multiplicity of stakeholders



Industry

Supervisor

Central bank

MOF/  
Treasury

Foreign authorities

2

Be prepared & allocate sufficient time  
Be realistic & not overly optimistic

### New concepts & complex issues



Structural /  
legacy issues

Detailed study

Phased  
approach

Stakeholders:  
conflicting  
priority,  
turf/resistance

# THANK YOU!