

### **Subrogation**

**64.** Where the Corporation makes a payment under this Chapter in respect of any deposit, the Corporation is subrogated, to the extent of the amount of the payment made, to all the rights and interests of the depositor and may maintain an action in respect of those rights and interests in the name of the depositor or in the name of the Corporation.

### **Assignment**

**65.** Where the Corporation deems it advisable, the Corporation may withhold payment in respect of any deposit with a member institution until it has received an assignment in writing of all the rights and interests of the depositor in relation to the deposit.

### **Time limitation for claims**

**66.** No action may be taken against the Corporation in respect of the obligation of the Corporation to make payment in relation to a deposit held by a member institution that is being wound up unless the action is commenced within ten years after the date of the commencement of the winding-up.

## **PART V**

### **EXAMINATION OF MEMBER INSTITUTIONS**

#### **Bank Negara Malaysia to provide information**

**67.** Bank Negara Malaysia may, within an appropriate time, provide to the Corporation—

- (a) written reports following the examinations conducted under section 69 of the Banking and Financial Institutions Act 1989 or section 31 of the Islamic Banking Act 1983 or any other relevant law to which a member institution is subject;
- (b) a rating or by any other means, an assessment of the safety and soundness of the member institution, including its financial condition;

- (c) any information that Bank Negara Malaysia considers relevant to any matter referred to in paragraph (a) or (b); or
- (d) any information that comes to the attention of Bank Negara Malaysia of any change in the circumstances of the member institution that may materially affect the position of the Corporation as an insurer.

### **Examinations**

**68.** (1) For the purposes of this Act, Bank Negara Malaysia may examine the operations of a member institution upon request by the Corporation.

(2) The scope of examinations under subsection (1) may include the examination of—

- (a) whether proper and adequate deposit records are maintained by a member institution;
- (b) whether reports made by a member institution on its premiums are substantially correct;
- (c) compliance with terms and conditions or any other requirements of the membership; or
- (d) any other areas mutually agreed to with Bank Negara Malaysia.

(3) The Corporation may, with the prior written approval of Bank Negara Malaysia, commission an independent audit in respect of examination under subsection (1) or subsection 69(1).

(4) A copy of any report made under subsection (3) shall be provided by the Corporation to Bank Negara Malaysia within a period of three months after the completion of the report.

(5) The Corporation may recover any cost incurred under this section from a member institution as a debt due and payable to the Corporation.

### **Special examinations**

**69.** (1) Where the Corporation has reason to believe that the making of a payment under Chapter 4 of Part IV is imminent the

Corporation may conduct special examinations pursuant to any strategic alliance agreement entered into with Bank Negara Malaysia under paragraph 25(2)(g).

(2) The scope of special examinations under subsection (1) may include the examination of records, books, accounts or other documents and transactions of a member institution.

(3) For purpose of this section, the officers or employees of the Corporation or any other person appointed by the Corporation are entitled to require the officer, auditor, receiver, manager, receiver and manager, liquidator, agent or any other person of the member institution to furnish such document, material, information or explanations as the Corporation may require.

(4) The Corporation may recover any cost of special examinations from a member institution as a debt due and payable to the Corporation.

(5) The Corporation shall make a report to Bank Negara Malaysia upon completion of the special examination.

## PART VI

### ACTIONS BY CORPORATION

#### **Notification of non-viability**

**70.** Bank Negara Malaysia may notify the Corporation in writing where a member institution has ceased, or, is likely to cease, to be viable.

#### **Powers of Corporation in case of non-viability of member institution**

**71.** (1) Where the Corporation has received a notification under section 70, it may exercise one or more of the following powers:

(a) require the member institution—

(i) to take any step, or any action, or to do or not to do any act or thing, in relation to itself, its businesses or its officers within such time as the Corporation may consider necessary or expedient;