



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

CONFLICT OF INTEREST CODE FOR EMPLOYEES



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TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	INTERPRETATION AND DEFINITIONS	3
3.0	GENERAL PRINCIPLES	7
4.0	INTERESTS IN MEMBER INSTITUTIONS AND AFFILIATES	9
5.0	FACILITIES, DEPOSITS AND OTHER BENEFITS	10
6.0	DECLARATION OF ASSETS	11
7.0	SERIOUS PECUNIARY INDEBTEDNESS	12
8.0	OTHER INFORMATION	13
9.0	OUTSIDE ACTIVITIES	14
10.0	GIFTS, HOSPITALITY AND OTHER BENEFITS	14
11.0	OFFERS OF EMPLOYMENT	17
12.0	POST-EMPLOYMENT ACTIVITIES	17
13.0	POST-EMPLOYMENT PROHIBITION PERIOD	17
14.0	OTHER DISCLOSURES	19
15.0	CERTIFICATIONS, DECLARATIONS, DISCLOSURES AND PROCEDURES	20
16.0	RECORD OF DECLARATIONS AND DISCLOSURES	20
17.0	TRANSITION	21
18.0	REVIEW	21
	Schedule	22
	Appendix 1	24
	Appendix 2	26

Approved by the Board of Directors at the Board Meeting No. 60 on 27 September 2018.



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

1.0 INTRODUCTION

1.1 Employees of Perbadanan Insurans Deposit Malaysia (“PIDM”) are required by their terms of employment as well as the Malaysia Deposit Insurance Corporation Act 2011 (“Act”) to comply with this Conflict of Interest Code for Employees (“Code”).

1.2 The key areas that this Code covers are:

- (a) conflicts that may arise between the interests of PIDM and employee’s personal interests, businesses and relationships of individual employees;
- (b) the use by an employee of his or her position, or of information not generally available to the public and obtained by reason of his or her status as an employee;
- (c) the use of PIDM’s property or facilities;
- (d) interests in shares in member institutions and their affiliates;
- (e) the provision of services or products by member institutions or their affiliates;
- (f) the policy on the acceptance of gifts, hospitality and other benefits; and
- (g) the policy on outside activities, offers of employment, and post-employment activities.

1.3 You are required to:

- (a) read this Code and familiarise yourself with it. A softcopy of this Code is available on the Corporation’s portal;
- (b) on first becoming an employee and, thereafter on an annual basis, sign and submit the certification of compliance in Appendix 2 to the Designated Person; and
- (c) make the disclosures and gain permissions as necessary, under this Code.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

1.4 Compliance with this Code is mandatory. Breach of this Code can result in disciplinary action including, where appropriate, dismissal. It is also an offence under subsections 12(1)(b) and 12(3) of the Act.

What is a conflict of interest?

1.5 A conflict of interest arises when your work or duties to PIDM could be affected, or be seen to be affected by:

- (a) your or your Connected Person’s private interests or personal association; or
- (b) subject to paragraph 9.1, your duties to another organisation, whether public or private, due to your role with that organisation.

Conflicts of interest can be real (i.e., there is an actual conflict), potential (i.e., it could arise), or apparent (i.e., a third party may reasonably take the view that there is or is likely to be a conflict of interest, whether or not there is).

1.6 Conflicts of interest may arise in various ways. For example, they could arise as a result of:

- (a) a direct or indirect financial interest which you have;
- (b) a direct or indirect financial interest held by any business venture (whether a company, firm or proprietorship) with which you have connections;
- (c) a personal association or relationship with those affected, or those who are likely to be affected, by the information or issue in question;
- (d) an expectation of a future interest (for example, future employment);
- (e) in some cases, a previous association with the information or issue in question; or
- (f) a relevant interest of your Connected Persons, in the types of circumstances set out in paragraphs (a) to (e) above.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

1.7 The above list is not exhaustive. **If you are in doubt about whether a real, potential or apparent conflict has arisen or have any queries about this Code, please consult the Designated Person or refer to such other channel as may be provided by PIDM to assist with such queries.**

1.8 Please note that you are not absolved from your responsibilities by mere adherence to the letter of the provisions in this Code or the law. There may be other actions that may be necessary to conform to the principles discussed above.

2.0 INTERPRETATION AND DEFINITIONS

2.1 In this Code, words have the meaning given to them under the Act (unless otherwise defined). The following words and expressions have the following meaning:

“Act” means the Malaysia Deposit Insurance Corporation Act 2011;

“affiliate” means an entity that is affiliated with another entity within the meaning of the Schedule to this Code;

“Assets” means (whether in or outside Malaysia):

- (a) in relation to immovable assets:
 - (i) land, whether freehold or leasehold, including land that is occupied under a temporary occupation licence;
 - (ii) any type of residential place, such as houses, flats, apartments, or condominiums; and
 - (iii) buildings, including shop houses or shop spaces, office spaces or stalls.
- (b) in relation to movable assets:
 - (i) the aggregate amount of any form of cash or cash equivalent amounting to RM60,000 or more wherever deposited or kept;
 - (ii) securities or any form of investments where the aggregate value exceeds six (6) months of your gross salary or RM25,000 whichever is lower;
 - (iii) any form of trading, business or commercial licences or permits; and
 - (iv) any other movable assets including motor vehicles, jewellery, club memberships, furniture and sports equipment where the value or the



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

price of each asset exceeds six (6) months of your gross salary or RM60,000 whichever is lower.

“Board” means the Board of Directors of PIDM;

“Business Day” means any day other than a Saturday, Sunday or public holiday in Kuala Lumpur;

“Connected Person” means your spouse, children, including adopted and step children, parents or any person over whom you exercise or are able to exercise significant influence in relation to that person’s financial affairs, for any reason whatsoever;

“Declarable Assets” means assets (i) acquired by a Connected Person by using money or moneys’ worth directly or indirectly supplied by you, or (ii) in respect of which you exercise or are able to exercise significant influence in relation to their acquisition, disposal or sale; and in either case where you are aware of the Connected Person’s ownership of the assets;

“Designated Person” means, in the case of:

- (a) the Chief Executive Officer (“CEO”), the Chairman of the Board;
- (b) the Chief Operating Officer and General Counsel (“COO-GC”), the Senior General Manager, Risk Assessment and Resolution, the Chief Internal Auditor, the Chief Risk Officer, the Corporate Secretary, the Heads of the Policy and International Division and Human Capital Division, and such other employees as the CEO may determine, the CEO; and
- (c) all other employees, the COO-GC.

“discretionary investment arrangement” means an arrangement between an investment advisor and his or her client or clients:

- (a) where the investment advisor is licensed to provide investment advice in his or her ordinary course of business under securities legislation;



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

- (b) where the investment advisor is at arm's length from the client or all of the clients;
- (c) under which investment decisions are made with no direction from or control by the client or any of the clients or by any person that is not at arm's length from the client or all of the clients;
- (d) in respect of which no information is provided to a client concerning the investments except for periodic reports of the overall value or revenues (but not the composition) of the investments; and
- (e) which is evidenced and governed by a written agreement between the client or all of the clients and the investment advisor, a copy of which (excluding any schedule or other listing of investments) has been provided to the Designated Person;

“employee” means any employee of PIDM, whether a permanent member or not, employees under a contract, and those seconded from other bodies, and references to “employed” or “employment” shall have the corresponding meaning;

“financial institution” means any bank including an Islamic bank, any development financial institution, co-operative as defined under the Co-Operative Societies Act 1993, merchant bank or investment bank, insurance company or takaful operator and any other similar institution whether in Malaysia or outside Malaysia;

“hospitality” includes invitations to attend an event (including sporting and cultural events), meals or other similar occasion with someone who works for or represents a member institution, or an actual or potential supplier or service provider of PIDM where you can reasonably be perceived to be representing PIDM;

“interest in a share” means beneficial ownership, direct or indirect, of a share or any part thereof, provided that:

- (a) beneficial ownership does not include ownership of a unit or right in a collective investment scheme such as a unit trust fund, a right under a pension, retirement savings or life insurance plan where investment decisions for the fund or plan are made without direction from or control by the owner or any beneficiary of the unit or right;



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

- (b) for the purpose of this Code a client under a discretionary investment arrangement shall be considered as if he or she does not beneficially own investments which are the subject of that arrangement; and
- (c) an employee will be considered to have an interest in a share beneficially owned, directly or indirectly, by a Connected Person if:
 - (i) that Connected Person acquired that ownership using money or moneys' worth directly or indirectly supplied by the employee and the employee is aware of the Connected Person's ownership of the share; or
 - (ii) the employee exercises or is able to exercise significant influence over that Connected Person's affairs, for any reason whatsoever and the employee is aware of the Connected Person's ownership of the share;

"Key Employee" means any employee who is a member of the Senior Management Committee;

"key management position" means any position having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly;

"PIDM" or the **"Corporation"** means Malaysia Deposit Insurance Corporation;

"person" includes a body of persons, corporate or unincorporated;

"serious pecuniary indebtedness" means the state of an employee's indebtedness which, having regard to the amount of debts incurred by the employee, has actually caused serious financial hardship to the employee; and

"share" includes an accepted subscription for a share, a warrant for a share, a right to acquire or require the issuance of a share or a warrant by the conversion of or in exchange for other property and an option right to acquire or require the issuance of any of the foregoing.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

3.0 GENERAL PRINCIPLES

3.1 Individual responsibility and personal example

3.1.1 As PIDM employees, we are entitled to manage our own affairs in privacy. However, our work must be carried out in an environment that is free from any suggestion of improper influence and in a manner that promotes public confidence. Our stakeholders and the public must be confident that we operate and make decisions objectively and impartially. Conflicts of interest must therefore be:

- (a) avoided where possible; or
- (b) identified and declared immediately when they arise and be properly managed, where it is not possible to avoid them.

Managing conflicts means managing your private affairs or where applicable, your duties to another organisation in a manner designed to prevent real, potential or apparent conflicts of interest from arising.

3.2 Serving the public interest

3.2.1 None of us must exploit, or reasonably appear to exploit, to our personal advantage, our position as employees of the organisation.

3.2.2 As such, you must not:

- (a) knowingly take advantage of, or benefit from, any information obtained by reason of your status as employee, which is not generally available to the public;
- (b) use your position and PIDM's resources for private gain;
- (c) use or allow the use of PIDM's property and facilities for anything other than officially approved activities;
- (d) use your position to solicit or accept economic benefits;



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

(e) after ceasing to be employed by PIDM, act in a manner that takes improper advantage of your former employment with PIDM.

3.2.3 You should abstain from involvement in personal matters or having private interests or where applicable, other duties that could compromise official decisions in respect of which you participate.

3.2.4 You should also be aware of your responsibilities under section 24 of the Act, which restricts the disclosure of information regarding PIDM and the specified stakeholders. Section 24 of the Act provides that “A director, officer, employee or agent of the Corporation or any person who for any reason has by any means access to any record, book, register, correspondence or other document whatsoever, material or information relating to the business and affairs of the Corporation, Bank Negara Malaysia, a member institution, a customer of Bank Negara Malaysia, or a customer of a member institution, which he has acquired in the performance of his duties or the exercise of his functions, shall not give, divulge, reveal, publish or otherwise disclose, to any person, such record, book, register, correspondence, or other document whatsoever, material or information, unless the disclosure is required under any law, for the performance of his duties or the exercise of his functions under the Act, or lawfully by any court”. Information should also only be used for the purposes for which the information is obtained.

3.3 Supporting transparency and scrutiny

3.3.1 All of us must take steps to ensure that any real, potential or apparent conflicts of interest to which we may be subject is properly managed. In other words, we must take steps to ensure that our personal affairs or private interests or where applicable, other duties, do not affect, or reasonably appear to affect, a decision taken by PIDM. We must disclose all interests and where applicable, other duties which could conflict, or appear to conflict, with our duties at PIDM (potential or apparent conflicts), and manage them before they become real.

3.3.2 It is important that PIDM can publicly defend the actions of its employees in relation to this Code in order to prevent reputational damage. It is your responsibility to ensure that if any real, potential or apparent conflict arises, you will take action to resolve it appropriately.



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

4.0 INTERESTS IN MEMBER INSTITUTIONS AND AFFILIATES

- 4.1 Subject to paragraph 4.2, you must not hold an interest in shares of any member institution.
- 4.2 If, on first taking up employment with PIDM, you have such interest in shares of any member institution:
- (a) you will make declarations to the Designated Person in respect of such interests; and
 - (b) the Designated Person will determine a date by which you should come into compliance with this provision.
- 4.3 You will not be considered as holding an “interest in shares” as defined in paragraph 2.1 where the shares are held under a “discretionary investment arrangement”, also as defined in paragraph 2.1.
- 4.4 You may have an interest in shares of an affiliate of a member institution if those shares are publicly distributed and listed on a securities exchange and the affiliate is not a shareholder of 10% or more of the shares of the member institution.
- 4.5 You must report to the Designated Person, on a confidential basis (but subject to the other provisions of this Code), every interest that you have in shares of any affiliates of member institutions, in each case indicating the affiliate and the number and type of shares. Such a report must be made upon you first taking up employment at PIDM, annually, concurrently with the annual declaration of assets required by paragraph 6, and when there are changes to such information.
- 4.6 Notwithstanding paragraph 4.4, the Designated Person may direct you to dispose of or otherwise cease to have an interest in the shares of a particular affiliate of a member institution if, in the opinion of the Designated Person, it creates a real, potential or apparent conflict of interest.
- 4.7 The Designated Person may, on a case-by-case basis or by the establishment of general criteria, classify (and declassify) the shares of particular affiliates of member institutions as prohibited investments.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

4.8 Notwithstanding paragraphs 4.4 and 4.6, you must not acquire an interest in any shares of an affiliate of a member institution while they are classified as a prohibited investment and, in the event that you already have an interest in such shares at the time they become so classified then, for as long as they are so classified, (i) the Designated Person shall not direct you to cease to have an interest in those shares, and (ii) you must not dispose of, exercise any voting or other right attaching to, or otherwise deal in any way with those shares or your interest therein.

4.9 A sale or other transfer of an interest in a share by you will not suffice for the purposes of complying with this Code unless it is an arm's length transaction.

5.0 FACILITIES, DEPOSITS AND OTHER BENEFITS

5.1 You must report to the Designated Person, on a confidential basis:

- (a) all loans/financing, lines of credit, guarantees, any financial undertakings or facilities whatsoever ("credit facilities") provided by any financial institution;
- (b) any form of cash or cash equivalent wherever held, deposited or kept, which amounts, in aggregate, to RM60,000.00 or more. Cash or cash equivalent includes deposit(s) held in any member institution or in any other places or institutions whether in or outside Malaysia. For this purpose:
 - (i) in respect of any deposit or deposits held in any one member institution which amount(s) to RM250,000 or more in aggregate, the amount held in each member institution and the name of the member institution must be disclosed. No disclosure of the name of the member institution is required if the deposit(s) held in any one member institution is less than RM250,000; and
 - (ii) in respect of cash or cash equivalent kept in any other places or institutions, no disclosure of the name of such place or institution is necessary.



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

5.2 You will make the declarations in respect of your financial obligations and deposits referred to in paragraph 5.1:

- (a) upon first taking up employment with PIDM; and
- (b) on a yearly basis, within 30 days (or such other period as may be specified), of being required to do so.

5.3 Other than as stated in paragraph 5.2, you must also report to the Designated Person upon:

- (a) securing any credit facility (other than credit cards and charge cards) from any financial institution;
- (b) opening an account with any member institution with any deposit of RM250,000 or more; and
- (c) any deposit reaching RM250,000 or more in any member institution.

5.4 The deposit limit wherever mentioned in this Code refers to the principal amount of the deposit.

5.5 You must not use or exploit your position in PIDM to solicit or obtain any facility or benefit from any member institution or affiliate of a member institution on terms that are more favourable than you would otherwise obtain in an arm's length dealing with the member institution or affiliate.

6.0 DECLARATION OF ASSETS

6.1 You must declare to the Designated Person, on a confidential basis, your Assets, including Declarable Assets, and your other sources of income, if any:

- (a) upon first taking up employment with PIDM; and
- (b) on a yearly basis, within 30 days (or such other period as may be specified), of being required to do so.



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

6.2 At any time, the Designated Person may require written declarations from you regarding any subsequent sales or disposals of Assets declared by you, including any Declarable Assets (other than salaries or bonuses, or employment benefits, or entitlements), or acquisitions of new assets of such value or price, and within such period, as he or she may specify.

7.0 SERIOUS PECUNIARY INDEBTEDNESS¹

7.1 An employee must not in any manner cause himself or herself to be in serious pecuniary indebtedness.

7.2 Serious pecuniary indebtedness from whatever cause, other than as a result of unavoidable misfortune not contributed to in any way by the employee, will be regarded as bringing disrepute to PIDM.

7.3 If an employee finds that his or her debts have caused or are likely to cause serious pecuniary indebtedness to him or her, or civil proceedings arising from the debts have been instituted against him or her, the employee must immediately report this fact to the Designated Person.

7.4 An employee who fails or delays in reporting his or her serious pecuniary indebtedness, or who fails to disclose his or her serious pecuniary indebtedness in full, or who gives a false or misleading account of such indebtedness, commits a breach of this Code.

7.5 Where an employee's debts amount to serious pecuniary indebtedness, the Designated Person shall monitor and, from time to time, review the case.

¹ This paragraph adopts the provisions in the Public Officers (Conduct and Discipline) Regulations 1993.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

- 7.6 Without prejudice to the general meaning of “serious pecuniary indebtedness” in paragraph 2.1, an employee shall be deemed to be in serious pecuniary indebtedness if:
- (a) the employee is three (3) months or more² in arrears on credit facilities payment;
 - (b) the employee is a judgment debtor and the judgment debt has not been settled within the period specified in the judgment; or
 - (c) the employee is adjudged a bankrupt, for so long as he is not discharged from bankruptcy or his adjudication of bankruptcy has not been annulled.

8.0 OTHER INFORMATION

Without prejudice to the generality of any provision in this Code, the Designated Person may at any time require you to disclose:

- (a) any matter relating to your financial position, including deposits, financial obligations or benefits or rights under any contract, insurance policy, takaful certificate in any institutions, in order to identify any conflict or possible conflict of interest; or
- (b) any details as may be required, where in the opinion of the Designated Person you are or appear to be:
 - (i) maintaining a standard of living that is beyond your official remuneration and other legitimate private means, if any; or
 - (ii) in control of or in possession of pecuniary resources or assets, the value of which is disproportionate to, or which could not reasonably be expected to have been acquired by you with your official remuneration and any legitimate private means; or
 - (iii) in serious pecuniary indebtedness.

² Bank Negara Malaysia’s Classification and Impairment Provisions for Loans/ Financing: A loan/financing shall be classified as impaired where the principal or interest or profit is past due for more than 90 days or three (3) months.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

9.0 OUTSIDE ACTIVITIES

9.1 Unless and to the extent you are allowed to do so in the course of your duties or have obtained the prior written permission of the Designated Person, you must not engage in the following activities while under the employment of PIDM, whether during or outside office hours:

- (a) be directly or indirectly involved in any other employment, whether at an executive or non-executive level, whether full-time or part-time, with any organisation or entity;
- (b) accept any reward (whether in monetary form or non-monetary form) for any work done for any institution, company, firm or private individual; or
- (c) accept a directorship in any corporation or partnership in any entity.

9.2 You must carry out your duties and responsibilities to PIDM in a politically neutral manner. Accordingly, you must not participate in any political activities.

9.3 With regard to other types of outside activities other than those stated in paragraphs 9.1 and 9.2, such as charitable activities, you must disclose to the Designated Person your involvement in such activities whether or not it is directly related to your responsibilities with PIDM. On receiving such a disclosure, the Designated Person may require you to curtail, modify or completely cease the activities if, in the opinion of the Designated Person, they create a real, potential or apparent conflict of interest with your employment with PIDM.

10.0 GIFTS, HOSPITALITY AND OTHER BENEFITS

10.1 Some employees may be offered gifts, hospitality or other benefits in the course of dealings with member institutions or suppliers and service providers. While PIDM encourages developing good stakeholder relationships, you must also ensure that you operate at all times in a way that is publicly defensible. The following policy provides guidelines but you should always be cautious about accepting gifts, hospitality and other benefits that could give rise to suggestions of undue influence and consider at all times the possibility of conflicts of interest.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

Principles when receiving gifts, hospitality and other benefits

- 10.2 You must not, whether for yourself or your Connected Persons, solicit any gifts, hospitality or other benefits arising out of any activity associated with your responsibilities with PIDM.
- 10.3 Subject to paragraph 10.6, you must not, whether for yourself or your Connected Persons, accept any gifts or other benefits arising out of any activity associated with your responsibilities with PIDM unless it is provided by PIDM itself. As a general guide, marketing collaterals offered in connection to a widely attended event or for publicity, promotional and communication purposes will not be regarded as related to your duties or responsibilities with PIDM and you may accept such collaterals.
- 10.4 Subject to paragraph 10.6, you must not, whether for yourself or your Connected Persons, accept any hospitality arising out of any activity associated with your responsibilities with PIDM unless:
- (a) it is within the bounds of propriety, a normal expression of courtesy or within the normal standards of hospitality, and the acceptance is not such as to cast suspicion on your objectivity and impartiality and will not compromise PIDM; or
 - (b) it is provided by PIDM itself.
- 10.5 Accepting exclusive or expensive hospitality can be misinterpreted by others, and it is not usually appropriate to accept such an invitation.
- 10.6 Where a gift, hospitality or other benefit that is prohibited under paragraphs 10.3 or 10.4 is provided unexpectedly and it is not practicable or it is offensive to decline the gift, hospitality or other benefit, you must disclose the matter to the Designated Person within five (5) Business Days after the gift, hospitality or other benefit was provided. On receipt of such a disclosure, the Designated Person shall cause a record to be made in a register, and may direct that the gift, hospitality or other benefit, or its reasonable equivalent, be returned to the giver (if practicable), or turned over to PIDM, or be disposed of for charitable purposes.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

Fees and Gifts to Speakers

- 10.7 Some institutions practise the payment of a fee to speakers for speaking at dinners or conferences and you may be the recipient of such a fee, even if you did not solicit for such a fee. Under such circumstances, this should be donated to a charity of your choice, with a declaration to the Designated Person, who shall cause a record to be made in a register.
- 10.8 Where you are presented with a gift for speaking at dinners or conferences, the provisions in paragraphs 10.3 and 10.6 shall apply.

Prizes

- 10.9 You must obtain the prior written permission of the Designated Person before entering into any competition by virtue of your employment at PIDM or at events which you attend in your capacity as an employee of PIDM (other than events organised by PIDM). Where permission is granted and you win a prize, you must declare the prize to the Designated Person immediately. On receipt of the declaration, the Designated Person shall cause a record to be made in a register and has the discretion to permit you to retain the prize, or direct that it be disposed of in any other manner the Designated Person deems appropriate, including for charitable purposes. Where the Designated Person decides that you cannot retain the prize, you shall surrender the prize to the Designated Person within five (5) Business Days from the time of the Designated Person's decision or from your receipt of the prize, whichever is later.

Principles when providing gifts, hospitality and other benefits

- 10.10 In relation to gifts or other benefits (other than PIDM collaterals) from PIDM to third parties, the following principles should be applied:
- (a) the provision of gifts or other benefits must be pre-approved by the Designated Person and must be recorded in a register held by the Designated Person;
 - (b) in deciding whether the provision of a gift or other benefits is appropriate, you must consider the recipient, the value of the gift or other benefit and the reason for it; and
 - (c) gifts or other benefits should be within the bounds of propriety, as a normal expression of courtesy or within the normal standards of hospitality.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

10.11 The provision of hospitality related to the business of the Corporation and for stakeholder engagement is acceptable within the bounds of propriety and within the normal standards of hospitality.

11.0 OFFERS OF EMPLOYMENT

11.1 Without prejudice and subject to paragraph 13, you must report to the Designated Person, any offer of appointment, engagement or employment by another person that could create a real, potential or apparent conflict of interest, as well as the acceptance of any such offer.

11.2 If the Designated Person determines that you are engaged in dealings with a prospective employer or other person that could create a real, potential or apparent conflict of interest, he or she may assign you to other duties.

12.0 POST-EMPLOYMENT ACTIVITIES

If you cease employment with PIDM, you must not act for or on behalf of any person in any proposed or ongoing proceeding, transaction, negotiation, arrangement or case to which PIDM is a party, if you had been involved at any time during your employment with PIDM in that matter, or you have or may have an advantage, benefit or special knowledge by virtue of your former employment with PIDM. For these purposes, you may not act either personally or through or in the name of any other person.

13.0 POST-EMPLOYMENT PROHIBITION PERIOD

13.1 Due to the overriding need to protect, preserve and maintain the strict confidentiality of all information to which you may have been privy to as an employee of PIDM, you must not, within a period of one (1) year after cessation of employment with PIDM, either personally or through or in the name of any other person,

- (a) (i) accept any appointment to a board of directors of, or any employment with, a member institution; or
- (ii) accept any appointment to a board of directors or accept any employment with or enter into any contract for the provision of goods or services with, an entity with which you had direct and significant official dealings during the period of one (1) year immediately prior to the cessation of employment with PIDM;

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

- (b) make any representation or application to PIDM for and on behalf of any person with which you have significant dealings as an employee within the period of one (1) year immediately prior to cessation of employment with PIDM; or
- (c) give counsel to any person concerning the policies of PIDM, using information that is not publicly available concerning PIDM, or with whom you had a direct and substantial relationship, other than the Government or an agency, department or instrumentality of the Government.

13.2 An employee or former employee who wishes to have the one-year period reduced may apply in writing to the Designated Person and the latter may decide to reduce the one-year period, taking into consideration:

- (a) the circumstances under which the individual's employment with PIDM ceased or is expected to cease;
- (b) the general employment or other prospects of the individual;
- (c) the significance to PIDM of the information possessed by the individual by virtue of his or her employment by PIDM;
- (d) the desirability of a rapid transfer from PIDM to the private sector or the Government of the individual's knowledge and skills;
- (e) the degree to which another person might gain unfair commercial advantage or benefit by appointing, employing or otherwise engaging the services of the individual;
- (f) the levels of authority and influence possessed by the individual while employed by PIDM; and
- (g) the disposition of other similar cases.

13.3 If the employee or former employee disagrees with a decision made pursuant to paragraph 13.2, he or she may apply in writing to the Chairman of the Board or, through the Chairman, to the Board for a reconsideration and the Chairman or the



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

Board (as the case may be) may decide to reduce the one (1) year period taking into consideration the matters listed in paragraph 13.2.

14.0 OTHER DISCLOSURES

14.1 At such time or within such period as may be required by the Designated Person, you must provide the Designated Person with details of the following:

- (a) any post, other employment or fiduciary positions that you have held prior to your employment at PIDM in connection with a member institution or an organisation that presently, to your knowledge, has a contractual relationship with PIDM;
- (b) any other significant relationship, including a professional, personal, financial or family relationship, held in connection with or capable of affecting a member institution; or
- (c) details of any Connected Person who works at PIDM.

14.2 You must immediately notify the Designated Person of all changes in the information disclosed under paragraph 14.1 above.

14.3 If you are a Key Employee, you must on an annual basis, within 30 days (or such other period) of being required to do so, declare to the Designated Person:

- (a) details of any directorship, partnership or key management position that you (if permitted under paragraph 9.1) or to your knowledge, your Connected Persons hold in an entity with which PIDM conducts business or has a contractual relationship; and/ or
- (b) details of any interest in shares that you or to your knowledge, your Connected Persons hold in an entity with which PIDM conducts business or has a contractual relationship.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

15.0 CERTIFICATIONS, DECLARATIONS, DISCLOSURES AND PROCEDURES

- 15.1 The list of the certifications, declarations and disclosures you have to make is set out in Appendix 1.
- 15.2 This list is not exhaustive. In addition to disclosures referred to in this Code, you are under a duty to declare to the Designated Person as appropriate, any real, potential or apparent conflict of interest that arises in the course of your work, for example, at meetings or during discussions. A general disclosure of interests under the provisions of this Code is not a substitute for this.
- 15.3 You should recognise that a relationship disclosed under this Code as potentially giving rise to a conflict of interest might lead to the Designated Person moving you to another role after full discussion of the circumstances.
- 15.4 All declarations referred to in this Code should be made in writing and in such form, if any, as may be specified by PIDM from time to time. Apart from the certification of compliance to the Designated Person, PIDM may require some or all of the declarations or disclosure to be made online through the enterprise portal, in such form as may be specified from time to time. Such declarations or disclosures will be kept confidential in accordance with paragraph 16 below.

16.0 RECORD OF DECLARATIONS AND DISCLOSURES

The Designated Person will keep a permanent record of all declarations or disclosures made under this Code. The information in such declarations or disclosures will be kept confidential and will not be disclosed except where there is:

- (a) a requirement for disclosure for the purposes of managing potential or actual conflicts;
- (b) a requirement for disclosure to your new Head of Division following your move to another position within PIDM;
- (c) a requirement for disclosure for the purposes of disciplinary proceedings; or
- (d) any legal, accounting or regulatory obligation or requirement to disclose the information.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

17.0 TRANSITION

- 17.1 Any individual who is not in compliance with an applicable provision of this Code must report that non-compliance to the Designated Person. For example, if you hold interests in shares of a financial institution that was not a member institution at the time of acquisition, but subsequently that institution becomes a member institution by virtue of an amendment to the Act or prescription by the Minister of Finance under the Act, you will not be in compliance with [this](#) Code.
- 17.2 On the occurrence of a non-compliance by reason of a financial institution becoming a member institution:
- (a) you will make declarations, to the Designated Person, in respect of such interests; and
 - (b) the Designated Person will determine a date by which you should come into compliance with the applicable provisions.
- 17.3 Notwithstanding the provisions of this Code, if you have duly obtained any approval required under the previous versions of [this](#) Code from the appropriate approver specified in those versions of [this](#) Code, you shall be deemed to have obtained the approval in compliance with this Code.

18.0 REVIEW

The Board shall review and reassess the adequacy of this Code periodically and make such amendments to this Code as the Board may deem appropriate.

Perbadanan Insurans Deposit Malaysia
27 September 2018

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

Schedule

For the purpose of determining whether or not an entity is an affiliate of another:

- (a) “beneficial ownership” includes ownership through one or more trustees, legal representatives, agents or other intermediaries;
- (b) “body corporate” means an incorporated body wherever or however incorporated;
- (c) “entity” means a body corporate, a trust, a partnership, a fund, an unincorporated association or organisation, the Government or the government of a foreign country or any political subdivision and any agency thereof;
- (d) “influence” in respect of an entity means the power, alone or in combination with one or more persons, directly or indirectly, to exercise influence over the management and policies of the entity, whether through the beneficial ownership of voting securities, or otherwise;
- (e) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (f) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by the person and the person is able to direct the business and affairs of the entity;
- (g) a general partner of a limited partnership controls the limited partnership;
- (h) a person controls an entity if the person has any direct or indirect influence that, if exercised, would result in control in fact of the entity;
- (i) a person who controls an entity is considered to control any other entity that is controlled, or is considered to be controlled, by the first-mentioned entity;



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

- (j) a person is considered to control an entity where the aggregate of any securities of the entity that are beneficially owned by any entity controlled by that person is such that, if that person and all of the entities that beneficially own securities of the entity were one person, that person would control the entity; and
- (k) an entity is affiliated with another entity if one of those entities is controlled by the other or both are controlled by the same person.

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Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

Appendix 1

No.	Certification/ declaration/ disclosure required from employees ¹	Timing of Certification/Declaration/Disclosure				Relevant paragraph in the Code
		On first taking up employment	Annually ²	Ongoing (as and when the situation arises)	At any time (as required by the Designated Person)	
1.	Certificate of Compliance (Appendix 2)	√	√			Paragraph 1.3(b)
2.	Interest in shares of:					
	(a) member institutions	√				Paragraph 4.2
	(b) affiliates of member institutions	√	√	√ ³	√	Paragraph 4.5
3.	Credit facilities/ financial obligations of any amount (e.g. loans, financing, guarantees, financial undertakings)	√	√	√ ⁴		Paragraphs 5.1, 5.2 and 5.3
4.	Cash or cash equivalent (including deposits) of RM60,000 or more held in a member institution or other places/ institutions (in or outside Malaysia) Note: If the deposit held in a member institution is RM250,000 or more, the amount held and the name of the member institution must also be disclosed.	√	√	√ ⁵		Paragraphs 5.1, 5.2 and 5.3
5.	Assets, including Declarable Assets, and other sources of income	√	√		√ ⁶	Paragraphs 6.1 and 6.2
6.	Serious pecuniary indebtedness			√		Paragraph 7.3
7.	Other information				√ ⁷	Paragraph 8.0
8.	Outside activities			√		Paragraph 9.3
9.	(a) Acceptance of gifts, hospitality or other benefits			√		Paragraphs 10.6, 10.7 and 10.8
	(b) Acceptance of prizes			√		Paragraph 10.9
10.	Offer of appointment, engagement or employment by another person, as well as the acceptance of such offer			√		Paragraph 11.1
11.	Details of:					Paragraphs 14.1 and 14.2
	(a) any post, other employment or fiduciary positions that you have held prior to your employment at PIDM in connection with a member institution or an organisation that presently, to your knowledge, has a contractual relationship with PIDM			√ ³	√	

¹ This list is not exhaustive. All certifications, declarations and disclosures must be submitted to your Designated Person.

² Within thirty (30) days (or such other period as may be specified) of being required to do so.

³ When there are changes to such information.

⁴ On securing any credit facility (other than credit cards and charge cards) from any financial institution.

⁵ (a) On opening any account with any member institution with any deposit of RM250,000 or more; and (b) on any deposit reaching RM250,000 or more with any member institution.

⁶ The Designated Person may require written declarations from you regarding any subsequent sales or disposals of Assets declared by you, including any Declarable Assets (other than salaries or bonuses, or employment benefits, or entitlements), or acquisitions of new assets of such value or price, and within such period, as he or she may specify.

⁷ The Designated Person may at any time require you to disclose (a) any matter relating to your financial position in order to identify any conflict of interest; or (b) any details in the circumstances stated in paragraph 8.0(b) of this Code.

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

No.	Certification/ declaration/ disclosure required from employees ¹	Timing of Certification/Declaration/Disclosure				Relevant paragraph in the Code
		On first taking up employment	Annually ²	Ongoing (as and when the situation arises)	At any time (as required by the Designated Person)	
	(b) any other significant relationship, including a professional, personal, financial or family relationship, held in connection with or capable of affecting a member institution			√ ³	√	
	(c) details of any Connected Person who works at PIDM			√ ³	√	
12.	If you are a Key Employee:		√			Paragraph 14.3
	(a) details of any directorship, partnership or key management position that you (if permitted under paragraph 9.1) or to your knowledge, your Connected Persons hold in an entity with which PIDM conducts business or has a contractual relationship					
	(b) details of any interest in shares that you or to your knowledge, your Connected Persons hold in an entity with which PIDM conducts business or has a contractual relationship					

- end -



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/COSEC/2006/05	Version No	8.0
Initial Approved Date	26 September 2006	Last Reviewed Date	27 September 2018
TITLE	CONFLICT OF INTEREST CODE FOR EMPLOYEES		

Appendix 2

Certification

(Upon First Taking Up Employment, And Annually Thereafter)

To the Designated Person:

I hereby certify that:-

- (1) I have reviewed and understood the Conflict of Interest Code for Employees of Perbadanan Insurans Deposit Malaysia (“Code”);
- (2) I understand that I am required to comply with the principles and other provisions of the Code applicable to me;
- (3) I have considered my personal and family affairs in sufficient detail to be able to be satisfied in this regard; and
- (4) I am in compliance.

I also understand that a breach of the provisions of the Code is an offence under the Malaysia Deposit Insurance Corporation Act 2011, and may also subject me to PIDM’s disciplinary proceedings, including termination.

Recipient’s/Employee’s signature : _____

Recipient’s/Employee’s name : _____

Date : _____