



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

**GUIDANCE PAPER FOR RESOLVABILITY ASSESSMENT
- OPERATIONAL CONTINUITY IN RESOLUTION**

ISSUE DATE : 22 SEPTEMBER 2026

Ref No	DI/GN2/2026 (RA-OCIR)	Issued on	22 September 2026
TITLE	Guidance Paper for Resolvability Assessment - Operational Continuity in Resolution		

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SECTION 1: INTRODUCTION

BACKGROUND

- 1.1 As part of the Capability Assessment¹ exercise to be undertaken by a deposit-taking member ("DTM") under the Resolvability Assessment Framework, PIDM expects the DTM to demonstrate the relevant capabilities to meet the requirements outlined in various guidance papers issued by PIDM. Specifically, for this guidance paper ("OCIR Guidance Paper"), a DTM is to demonstrate their ability to have in place adequate arrangements ensuring the continuity of operational services that support the functioning of critical functions or core business lines at the point of entry into resolution² and throughout the resolution process.
- 1.2 The requirements outlined in this OCIR Guidance Paper are not exhaustive and do not preclude further communication from PIDM on this matter. Consequently, PIDM retains the discretion to request additional information and analyses beyond the content of this OCIR Guidance Paper, if deemed necessary to advance resolution planning and improve overall resolvability of the DTMs.
- 1.3 As much as practicable, a DTM should leverage its existing capabilities and arrangements developed for existing risk management processes and regulatory purposes, including compliance with prudential requirements and recovery planning requirements, to meet or further develop capabilities in this OCIR Guidance Paper. In such circumstances, a DTM shall demonstrate that such capabilities and arrangements adequately address the resolution-specific considerations outlined in this OCIR Guidance Paper.

LEGAL PROVISIONS

- 1.4 The OCIR Guidance Paper relates to the following legal provisions in the Malaysia Deposit Insurance Corporation Act 2011 ("PIDM Act"):

¹ Capability Assessment is set out in Section 4 of the Guidelines on Resolvability Assessment Framework for Deposit-Taking Members.

² "Resolution" refers to a state whereby a DTM, in BNM's opinion, has ceased or is likely to cease to be viable (referred to as non-viable). Upon notification by BNM on the DTM's non-viability pursuant to section 98 of the PIDM Act, PIDM may exercise its resolution powers under the PIDM Act to resolve the non-viable DTM in such manner that minimises costs to the financial system. Entry into resolution includes the notification by BNM of the DTM's non-viability as well as PIDM's exercise of any of its resolution powers.

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- (a) Section 97A: PIDM may draw up, review and amend a resolution plan for the orderly resolution of a member institution; and
- (b) Section 202: For the purpose of exercising any of its powers, performing any of its functions or discharging any of its duties, PIDM may require information from a member institution or its related corporation on any matter relating to the business or affairs of such member institution or related corporation.

APPLICATION AND COMMENCEMENT

- 1.5 This OCIR Guidance Paper is applicable to all DTMs.
- 1.6 The OCIR Guidance Paper elaborates on the requirements set out in the Guidelines on Resolvability Assessment Framework for Deposit-Taking Members ("RAF Guidelines") issued by PIDM on 22 September 2026, and forms part of the RAF Guidelines. DTMs are to refer to the RAF Guidelines, particularly the Glossary, for consistent interpretation of key terms used in this OCIR Guidance Paper.
- 1.7 A DTM shall undertake Capability Assessment, including in respect of the expectations in this OCIR Guidance Paper, pursuant to a written notification from PIDM.
- 1.8 Following PIDM's written notification:
 - (a) DTMs that are subject to the **Tailored Requirements** shall submit their first assessment under this OCIR Guidance Paper within 18 months from the date of such notification.
 - (b) DTMs that are subject to the **Full Requirements** shall:
 - (i) submit a Separability Report³ to PIDM within 18 months from the date of such notification; and
 - (ii) submit their first assessment under this OCIR Guidance Paper within nine (9) months after the submission of the Separability Report.

³ Refers to the Separability Report required to be submitted pursuant to paragraph 5.1.1 of the RAF Guidelines.

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Thereafter, DTMs shall submit updated assessments to PIDM on a biennial basis, provided there are no material changes⁴ requiring an earlier reassessment.

1.9 PIDM may, in such form and subject to such terms and conditions as PIDM thinks fit, specify such other periods or dates for compliance with any of the provisions in this OCIR Guidance Paper, or for any act to be done.

1.10 Any queries or requests for clarification relating to the OCIR Guidance Paper may be directed to:

Intervention and Resolution Division

General Line: 03-2303 0714

Email: rsp@pidm.gov.my

RELATED DOCUMENTS

1.11 This OCIR Guidance Paper forms part of the RAF Guidelines and shall be read together with other relevant legal instruments and policy documents or related documents issued by PIDM and/or Bank Negara Malaysia ("BNM") including any amendments, reissuances or replacements thereafter, in particular: -

- (a) Policy Document on Outsourcing issued by BNM on 23 October 2019;
- (b) Policy Document on Recovery Planning issued by BNM on 28 July 2021 ("BNM's Policy Document on Recovery Planning");
- (c) Policy Document on Business Continuity Management issued by BNM on 19 December 2022; and
- (d) Guidelines on Resolution Planning for Deposit-Taking Members issued by PIDM on 8 September 2023.

1.12 A reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

⁴ Material changes shall have the meaning set out in Paragraph 5.2.2 of the RAF Guidelines and include changes to the Transfer Perimeter arising from evolving economic conditions, changes in business activities or structure, activation of recovery options, or any other developments that may materially affect the DTM's initial separability assessment.

SECTION 2: OVERVIEW

- 2.1 As outlined in the RAF Guidelines, a DTM shall have in place adequate arrangements to ensure the continuity of operational services necessary to maintain the DTM's critical functions and/or core business lines upon entry into resolution and throughout the resolution process. In addition, BNM's existing policy documents, as referenced in Paragraph 1.11 of this OCIR Guidance Paper, specifically emphasize the requirement to maintain uninterrupted critical business functions and essential services during periods of disruptions.
- 2.2 Consistent with the principle of proportionality set out in the RAF Guidelines, the scope of resolvability assessment and the extent of preparatory measures will vary depending on whether a DTM falls under the scope of the **Full Requirements** or **Tailored Requirements**.⁵ Accordingly, certain requirements under this OCIR Guidance Paper are calibrated to reflect the differing expectations applicable to DTMs within each category.
- 2.3 The requirements under this OCIR Guidance Paper apply only where the Transfer Perimeter comprises business line(s) of DTM entities or individual DTM entities. For the avoidance of doubt, the requirements under this OCIR Guidance Paper is not applicable where the Transfer Perimeter comprises only non-DTM entities, including business segments such as investment banking, overseas operations or insurance and takaful.
- 2.4 Upon entry into resolution and throughout the resolution process, ensuring operational continuity is crucial for the following key reasons:
- (a) Upon entry into resolution, which refers to the point at which BNM notifies PIDM that a DTM is no longer viable pursuant to section 98 of the PIDM Act and PIDM begins exercising its resolution powers, contracts for operational services may face termination, potentially disrupting critical functions and/or core business lines; and
 - (b) During the execution of the transfer strategy, whether through the sale of shares or transfer of assets and liabilities in a DTM under resolution, the

⁵ As outlined in Paragraph 2.3.7 of the RAF Guidelines.

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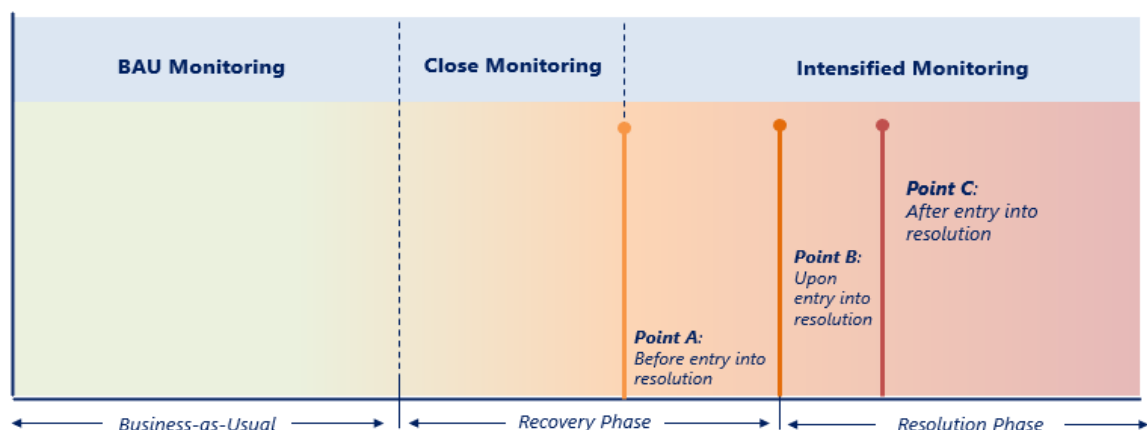
signing of new contracts for operational services may be required. This reinforces the importance of having adequate arrangements in place to ensure a seamless transition that supports operational continuity and minimises disruption.

2.5 Cognizant of these factors, the DTM shall develop capabilities aimed at enhancing its resolvability in safeguarding operational continuity during the resolution phase, in addition to its existing capabilities during Business-As-Usual ("BAU") and during the recovery phase⁶. This is key to enabling PIDM as the resolution authority to resolve the DTM in a prompt and orderly manner in the event of the DTM's failure.

2.6 Figure 1 illustrates the stress continuum and the three critical phases of resolution:

- Point A: Before Entry into Resolution
- Point B: Upon Entry into Resolution
- Point C: After Entry into Resolution

Figure 1: Stress continuum and the phases of resolution



2.7 The following table summarises the expectations outlined in **Section 3** of this OCIR Guidance Paper, which DTMs are required to **establish in advance of stress events and maintain throughout the stress continuum**. These expectations are designed to ensure that DTMs are adequately prepared and able to execute the necessary arrangements effectively upon entry into resolution. The table also explains how these expectations support PIDM's resolvability objectives:

⁶ Recovery Phase as defined in BNM's Policy Document on Recovery Planning.

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Table 1: Expectations at different points along the stress continuum

No	Point along the Stress Continuum	Expectations across the stress continuum	How expectations support PIDM's objectives in resolution
1.	"Point A": Before Entry into Resolution	DTMs shall have pre-established capabilities to identify and map operational interdependencies and external dependencies.	These capabilities allow DTMs to furnish an updated list and mapping of operational services when required by PIDM, thereby enabling clear visibility of critical interdependencies and supporting timely actions to maintain continuity of operational services and facilitate swift execution of resolution measures.
2.	"Point B": Upon Entry into Resolution	DTMs shall have pre-established capabilities to ensure continuity of operational services so that the services are not terminated upon entry into resolution.	These capabilities allow PIDM or its Appointed Person ⁷ to ensure continuity of operational services and prevent termination upon DTM's entry into resolution.
3.	"Point C": After Entry into Resolution	DTMs shall have pre-established capabilities to facilitate a resolution as follows: (a) Contracts for operational services can be transferred or	These capabilities allow PIDM or its Appointed Person to ensure the following: (a) The continuity of the provision of operational services to and by the Transferee; and

⁷ This is a person appointed by PIDM to assume control of and to carry on or manage the non-viable DTM pursuant to paragraph 99(1)(c) of the PIDM Act.

No	Point along the Stress Continuum	Expectations across the stress continuum	How expectations support PIDM's objectives in resolution
		assigned to the Transferee⁸; and (b) For material interdependencies that are not governed by a contract, a transitional services agreement can be implemented promptly to facilitate a transfer.	(b) Key employees remain in place to support the functioning of operational services to the Transferee.

2.8 A DTM typically relies on operational services provided through one or a combination of the following types of dependencies:

- (a) **Intra-group dependencies:** interdependencies among entities within the DTM Group;
- (b) **Intra-entity dependencies:** interdependencies across internal units within the DTM Group, including business lines, branches or divisions; and
- (c) **External dependencies:** dependencies of the DTM Group on third parties.

2.9 Pursuant to BNM's Policy Document on Recovery Planning, DTMs are only required to identify two (2) of the above areas, specifically, material intra-group and external dependencies. In order to be resolvable, a DTM is required to identify **intra-entity operational dependencies** in addition to the intra-group and external operational dependencies.

⁸ For purposes of this OCIR Guidance Paper, "Transferee" means any acquirer, bridge institution, or other recipient of all or any part of DTM's assets, liabilities, business or affairs, including the services, that are transferred pursuant to any resolution measure.

2.10 Accordingly, the scope of operational dependencies under this OCIR Guidance Paper shall encompass the following:

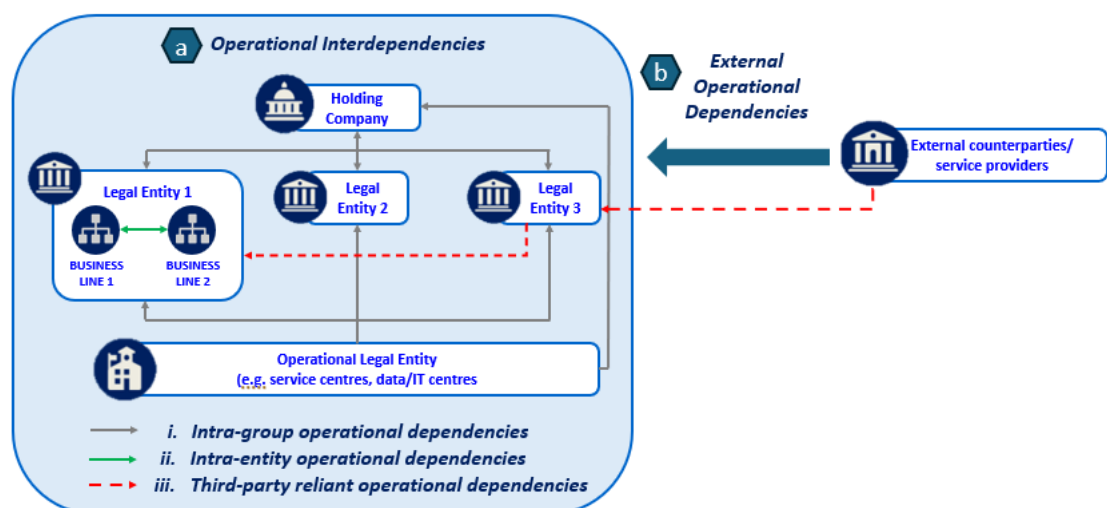
- (a) intra-group operational dependencies;
- (b) intra-entity operational dependencies; and
- (c) external operational dependencies.

Items (a) and (b) above shall collectively be known as “operational interdependencies”.

2.11 Operational dependencies referred to in Paragraph 2.10 shall include services provided under outsourced, subcontracted, or back-to-back service arrangements, where a service provider relies on one (1) or more third parties to deliver services supporting the DTM's critical functions and/or core business lines (“third-party reliant operational dependencies”). The DTM shall ensure that appropriate arrangements are in place to support the continuity of such services during resolution.

The illustration below provides a visual representation of a service delivery model, highlighting the relationship between these operational dependencies.

Figure 2: Service delivery models encompassing operational interdependencies and external operational dependencies



A DTM may utilise a service delivery model involving a combination of intra-group, intra-entity, or external service providers to support its operations. Crucially, regardless of the service delivery model, the DTM shall maintain arrangements to ensure the continued provision of services during a resolution.

2.12 Appendix 4 of BNM's Policy Document on Recovery Planning distinguishes different categories of potential operational services as follows:

- (a) Treasury or ALM services;
- (b) Trading or asset management;
- (c) Risk management and valuation;
- (d) Accounting;
- (e) Physical operations;
- (f) Human resources support;
- (g) Information technology; and
- (h) Legal services or compliance.

A DTM shall have the capability to identify its potential operational dependencies based on the respective categories above.

2.13 As a starting point, DTM should leverage the operational intra-group and external dependencies identified in the strategic analysis section in the Recovery Planning submissions, as well as the Impact Assessment conducted in accordance with the requirements set out in Section 3.3 of the RAF Guidelines.

2.14 DTMs are expected to have adequate arrangements to ensure continuity of operational services, and the subsequent sections will provide further guidance to achieve this:

- **Section 3.1** outlines the expectation for a DTM to establish a comprehensive listing of all operational dependencies and mapping of receiver, provider, critical function or core business line supported, underlying operational assets, critical employee and key terms of the underlying contracts/ arrangements.
- **Section 3.2** details the expectation for a DTM to evaluate the materiality of operational dependencies using a methodology with clearly defined criteria, including the impact of discontinuance and substitutability.
- **Section 3.3** sets out the expectation for a DTM to assess whether mitigation actions are already in place and to establish adequate arrangements to ensure that service contracts are resolution resilient. This means that the contracts remain effective and enforceable upon entry into resolution and during the resolution process without disruption to continuity of operational services.

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- 2.15 **Applicability of Section 3:** Sections 3.1 to 3.3 apply to DTMs subject to the **Full Requirements** under the RAF Guidelines. For DTMs under the **Tailored Requirements**, only Sections 3.1 and 3.3 are applicable, consistent with the principle of proportionality.

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SECTION 3: REQUIREMENTS FOR OPERATIONAL CONTINUITY IN RESOLUTION

3.1 IDENTIFICATION AND MAPPING OF OPERATIONAL DEPENDENCIES

3.1.1 **Applicability of Section:** This section applies to DTMs that are subject to **the Full Requirements** and DTMs that are subject to **Tailored Requirements**.

3.1.2 Under the Capability Assessment, a DTM shall demonstrate that it has established a comprehensive listing and mapping of all operational dependencies that support the Transfer Perimeter, clearly identifying the following:

- (a) Legal entity, business line, branch or division receiving the operational services;
- (b) Legal entity, business line, branch or division providing the operational services;
- (c) Critical functions and/or core business lines supported;
- (d) Underlying operational assets supporting the provision of the operational services;
- (e) Critical employee post / position supporting the provision of services; and
- (f) Relevant contracts / arrangements in place, where applicable and the following key clauses:
 - (i) Date of commencement of arrangement and expiry/renewal date;
 - (ii) The governing law of the operational services contract/arrangement;
 - (iii) The locations (e.g. city and country) where the activity is undertaken by the service provider, including where information is processed or stored, and the primary and back-up locations;

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- (iv) Events of default or termination events (for both the provider and recipient) as specified in the contract/arrangement;
- (v) Assignment clauses and change of control provisions as specified in the contract/arrangement; and
- (vi) Pricing structure of the contract/arrangement.

3.1.3 In establishing the listing and mapping of operational dependencies, the DTM can leverage the assessment of internal and external service providers, as outlined in Paragraph 11.22 of BNM's Policy Document on Recovery Planning. This includes the identification of key details below:

- (a) the legal entity providing operational services; and
- (b) the legal entity receiving the operational services,

as set out in Template 1(j) and Template 1(k) of Recovery Planning Reporting Templates.

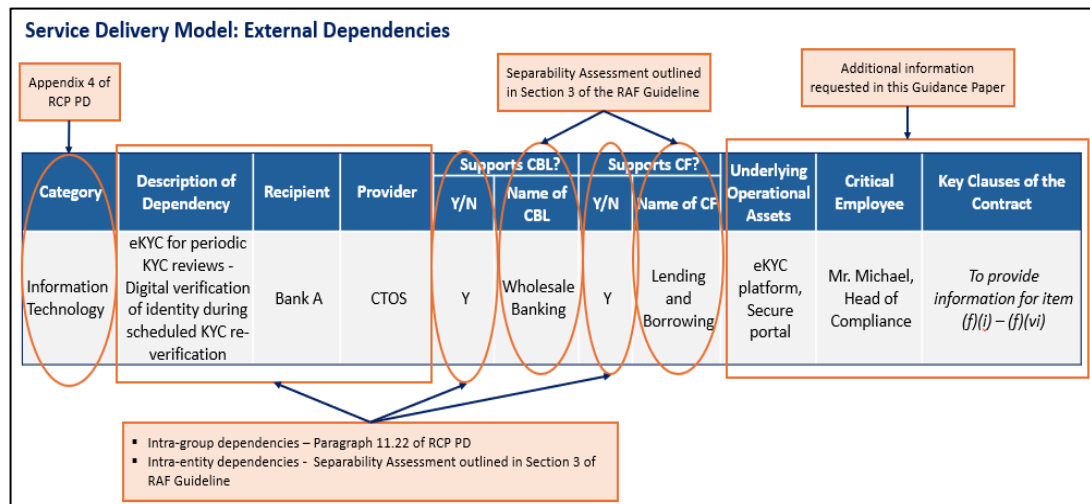
3.1.4 Furthermore, in relation to operational interdependencies, the DTM can also leverage the Impact Assessment outlined in Section 3.3 of RAF Guidelines to support the identification and mapping requirements for items (a) to (c) in Paragraph 3.1.2 above.

3.1.5 Under this guidance paper, the listing and mapping referred to in Paragraph 3.1.2 should be identified based on the list of potential operational services categories specified in Paragraph 2.12 of this OCIR Guidance paper, which refers to Appendix 4 of BNM's Policy Document on Recovery Planning.

3.1.6 In meeting the requirements set out in Paragraph 3.1.2, the DTM may prioritise operational dependencies that have already been identified under Paragraph 11.22 of BNM's Policy Document on Recovery Planning and Section 3.3 of the RAF Guidelines, to promote consistency and proportionality in the mapping exercise.

- 3.1.7 An illustrative example of such a listing and mapping based on the operational services categories is shown below:

Figure 3: Illustrative example of listing and mapping of operational dependencies



- 3.1.8 DTMs shall review and update the listing and mapping of operational dependencies annually and/or whenever there are material changes (e.g. new outsourcing arrangements, system migrations, or organisational structure changes). The listing and mapping shall be made available to PIDM upon request to support resolution planning and ensure the continuity of operational services during resolution.

- 3.1.9 **For DTMs under the Tailored Requirements:** Once the listing and mapping of operational services have been completed, PIDM will coordinate with DTMs in identifying operational dependencies that are considered material upon entry into resolution and throughout the resolution process. Based on this assessment, DTMs will be required to establish arrangements that ensure contractual continuity for these material dependencies. Further details are provided in Section 3.3 below.

3.2 ASSESSMENT OF THE MATERIALITY OF OPERATIONAL DEPENDENCIES

- 3.2.1 **Applicability of Section:** This section applies to DTMs that are subject to the **Full Requirements** under the RAF Guidelines. For DTMs under the **Tailored Requirements**, this Section is **not applicable**.

- 3.2.2 For each operational dependency identified in Paragraph 3.1.2, a DTM is required to assess its materiality in order to identify the critical shared services⁹ and/or material operational services that are crucial for seamless business operations upon entry into resolution and within the context of the transfer strategy.
- 3.2.3 Accordingly, the DTM shall have in place and demonstrate to PIDM a structured methodology with clearly defined criteria for assessing its materiality. In developing the methodology, the DTM may:
- (a) Leverage the assessment methodologies used to identify material intra-group and external dependencies reported in Template 1(j) and Template 1(k) of Recovery Planning Reporting Templates, the criteria set out in Paragraph 11.18 of BNM's Policy Document on Recovery Planning, namely the impact of discontinuance on critical functions and substitutability of the service, as well as intra-entity dependencies identified through the Impact Assessment outlined in Section 3.3 of the RAF Guidelines; and
 - (b) Consider, among other relevant factors, the following when assessing the materiality of operational dependencies:
 - (i) The potential impact on customers arising from the disruption or discontinuance of the services;
 - (ii) The extent to which the services are shared across multiple business lines;
 - (iii) Whether the services are subject to regulatory reporting or compliance requirements; and
 - (iv) Whether the services support activities that require real-time processing.
- 3.2.4 From this assessment, the DTM should be able to clearly identify critical shared services and/or material operational services needed to maintain critical functions and/or core business lines upon entry into resolution and under the transfer strategy, by proceeding to the requirements set out in Paragraph 3.3 of this OCIR Guidance Paper.

⁹ In accordance with Paragraph 11.17 of BNM's Policy Document on Recovery Planning, critical shared services refer to the underlying operations, activities or services that are performed for one or more covered entities, where the failure or discontinuance of such services would present a serious impediment or completely impair the performance of one or more critical functions.

3.3 DEMONSTRATION OF CONTRACTUAL RESILIENCE

3.3.1 The DTM is required to assess whether appropriate mitigating measures are already in place to ensure the continuity of operational services and their underlying operational assets at the point of entry into resolution and throughout the resolution process, as follows:

- (a) **DTMs under the Full Requirements:** For the critical shared services and/or material operational services identified following the assessment conducted in accordance with Section 3.2.
- (b) **DTMs under the Tailored Requirements:** Where following the coordination between PIDM and the DTM, specific operational dependencies are identified as material to continue operating upon entry into resolution and throughout the resolution process.

Such mitigating measures may include, among others, the establishment of adequate contractual resilience arrangements.

3.3.2 Where such mitigating measures are not in place or are assessed to be insufficient, the DTM is required to demonstrate to PIDM that it has adequate arrangements in place to ensure the continuity of contracts for relevant critical shared services and/or material operational services upon entry into resolution and throughout the resolution process, provided there is no default on substantive or payment obligations under the contracts. Accordingly, DTMs shall establish arrangements that effectively address the contractual dependencies and risks identified in the subsequent paragraphs in this section.

3.3.3 ***Incorporation of resolution-resilient clauses***

3.3.3.1 The DTM should engage with the service providers to negotiate the incorporation of resolution-resilient clauses into the relevant contracts, which may be executed immediately or in the next round of contract renewal/negotiation. In assessing whether contractual arrangements are resolution-resilient, DTMs shall seek to ensure that the arrangements support the following outcomes:

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(a) Non-termination, suspension or modification

The contractual arrangement should provide that the service provider will continue to perform and deliver the contracted services and will not terminate, suspend or amend the contract for provision of such services, or claim accelerated payment under the contract, solely by reason of the DTM's entry into resolution or the implementation of resolution measures. Such events may include, among others:

- (i) any determination by a regulator that the DTM has ceased, or is likely to cease, to be viable;
- (ii) the commencement or implementation of resolution measures, including the assumption of control or appointment of a receiver over the DTM; and
- (iii) changes to the DTM's ownership, control or legal structure, or any transfer of the DTM's assets, liabilities, business or affairs, resulting from the implementation of resolution measures.

(b) Transferability of the service provision

The contractual arrangement should facilitate the transfer or continuation of critical shared services and/or material operational services where all or part of the DTM's assets, liabilities, business and affairs are transferred pursuant to a resolution measure. Where appropriate, DTMs should seek to ensure that:

- (i) contractual rights and obligations relating to the services can be transferred or assigned to a Transferee pursuant to a resolution measure; and
- (ii) such transfer or assignment of the services to have the effect as if the Transferee had been a party to the contractual arrangement instead of the DTM, and the service provider should continue to provide the services to the Transferee on the same terms and conditions.

(c) **Cooperation and transition support**

The contractual arrangement should, where relevant, require the service provider to cooperate reasonably with the DTM, PIDM and any Transferee in the continued provision of the services. Such cooperation may include:

- (i) supporting the orderly transition, continuation or migration of the services; and
- (ii) taking reasonable steps necessary to give effect to any transfer or continuation arrangement of the services on the same terms and conditions arising from resolution measures.

3.3.3.2 The service provider's obligation to continue providing services remains subject to the continued performance of substantive or payment obligations under the contracts by the DTM and the successor and Transferee, pursuant to the implementation of resolution measures.

3.3.3.3 The requirement to ensure resolution-resilient contracts may be implemented in phases, with the initial phase prioritising unique services¹⁰, particularly those related to information technology.

3.3.4 ***Transitional service agreements***

3.3.4.1 Where the DTM is the primary service provider to other entities within its group and discontinuance of such services could have a material impact on the recipients, or where material operational interdependencies exist without a formal contract, the DTM shall demonstrate the capability to develop and implement a transitional service agreement ("TSA") promptly upon the execution of the transfer strategy, where necessary.

3.3.4.2 A TSA is a contractual agreement between the DTM and the successor, or Transferee that sets out the scope, terms and duration of services one party should provide to another in connection with the implementation of a transfer strategy. It aims to facilitate the transfer of provision of relevant critical shared services and/or material operational services to other service providers, without interruption to the functioning of critical functions and/or core business lines.

¹⁰ Unique services refer to services that are customised or proprietary in nature, with limited or no substitutability, and which are difficult to source or replace with standard 'off-the-shelf' solutions from other providers.

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- 3.3.4.3 A DTM shall ensure that relevant information is available to support the design and implementation of the TSA(s) as they become necessary upon the execution of the transfer strategy. In this regard, at a minimum, the DTM shall demonstrate the capability to regularly maintain the information reflected under Paragraph 3.1.2 of this OCIR Guidance Paper to enable a speedy development of TSA(s) upon the execution of the transfer strategy, where necessary.

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SECTION 4: IMPLEMENTATION

- 4.1 As part of the requirements of the RAF Guidelines, DTMs shall prepare a Self-Assessment Report comprising an Executive Summary¹¹ and documenting the outcome of the Capability Assessment. As part of the Capability Assessment, the report shall demonstrate the relevant capabilities and arrangements required to meet the requirements outlined in **Section 3 of this OCIR Guidance Paper**, along with the proposed Remediation Action Plan¹². At this stage, no prescribed template is mandated for the Self-Assessment Report, thereby allowing DTM the flexibility to determine the best approach for demonstrating its analysis.
- 4.2 Additionally, the DTM is required to describe the degree to which the requirements outlined in **Section 3** are met by completing the Self-Assessment Checklist in **Appendix 1**. The guidance for the grading scale is as follows:

Grading scale	Guidance
No Improvements Required	No material gaps or issues have been identified. The DTM has established and is able to operationalise capabilities, arrangements and processes necessary to support the execution of the transfer strategy. ¹³
Minor Improvements Required	The DTM has established the capabilities, arrangements and processes necessary to support the transfer strategy. However, certain operational, procedural or process enhancements are required . These gaps are not expected to materially impede the execution of the transfer strategy, provided that they are addressed within an appropriate timeframe.

¹¹ Executive Summary refers to an overview of the DTM's assessment of its capabilities against the requirements outlined in Section 3 of this OCIR Guidance Paper. At a minimum, it shall describe the key capabilities and arrangements in place, explain how they support orderly resolution, and identify any material limitations or gaps to resolvability.

¹² As outlined in Paragraph 5.1.2 of the RAF Guidelines, Remediation Action Plan shall encompass the documentation of impediments, proposed measures to remove impediments, implementation timeline, target completion dates, resources required, estimated cost and personnel responsible for implementation.

¹³ PIDM reserves the right to revise the requirements set out in this OCIR Guidance Paper. The DTM's self-assessment in a given cycle is made against the requirements in effect at that time.

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Grading scale	Guidance
Major Improvements Required	The DTM has significant gaps in capabilities, arrangements and processes necessary to support the execution of the transfer strategy. These gaps may materially impede the DTM's resolvability and require substantive remediation.
Not applicable	The requirements set out in this OCIR Guidance Paper are generally intended to apply to DTMs. Where a DTM considers a specific requirement to be "Not Applicable", the DTM shall provide accompanying justification, for PIDM's consideration.

- 4.3 Pursuant to the assessment of DTM's resolvability, PIDM will review the Self-Assessment Report and assess whether the measures proposed by the DTM can effectively reduce or remove the substantive impediments¹⁴. The DTM will be required to provide regular progress updates to PIDM on the implementation of the agreed measures.
- 4.4 PIDM may test and evaluate the DTM's capabilities in fulfilling the requirements outlined in **Section 3** of this OCIR Guidance Paper. Such testing may be conducted when PIDM determines that the DTM has met the specified requirements or when deemed necessary.

¹⁴ Communications to the DTM on the outcome of the assessment will be via a Resolvability Assessment letter from PIDM.

APPENDIX 1: SELF-ASSESSMENT CHECKLIST

To facilitate a consistent and transparent assessment of resolvability, DTMs are required to complete the Self-Assessment Checklist below in accordance with the grading scale set out in this OCIR Guidance Paper. The purpose of this assessment is to enable DTMs to demonstrate the extent to which the required capabilities have been established.

DTMs are required to provide a clear justification for each assessment assigned, together with supporting evidence demonstrating how the conclusion was reached. Supporting evidence may include references to documented processes, governance arrangements, system capabilities, contractual provisions, or other relevant materials. Please complete the Self-Assessment Checklist as follows:

No.	Requirements	Assessment (e.g. No Improvements Required/ Minor Improvements Required/Major Improvements Required/Not Applicable)	Justification and supporting evidence for the assigned assessment ¹⁵
Identification And Mapping of Operational Dependencies			
1.	The DTM has developed a listing to identify all operational dependencies in alignment with all details outlined in Paragraph 3.1.2.		<i>Example of supporting evidence: A snapshot of structured inventory table (spreadsheet or equivalent) containing all identified dependencies across the eight (8) operational service categories in Paragraph 2.12, with all six (6) sub-elements specified in Paragraph</i>

¹⁵ DTMs are required to cross-reference each requirement in the checklist to the corresponding section(s) in the Self-Assessment Report to support clarity and traceability.

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			<i>3.1.2 completed for each entry.</i>
2.	The DTM has established a mapping to map all operational dependencies identified to all information outlined in Paragraph 3.1.2.		<i>Example of supporting evidence: A snapshot of consolidated mapping table linking each identified dependency in the inventory to all six (6) sub-elements specified in Paragraph 3.1.2.</i>
3.	The DTM has reviewed and updated the listing and mapping of operational dependencies at least annually, and/or whenever there are material changes, and has ensured that the information is readily available to PIDM upon request.		<i>Example of supporting evidence:</i> <i>i. Evidence of the most recent annual review, e.g. a management sign-off record or audit trail showing the review date and outcome (including any updates made).</i> <i>ii. A standard operating procedure that specifies the review frequency, ownership, and trigger events for out-of-cycle updates.</i>

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			iii. A brief statement on how the listing and mapping are stored and can be retrieved and transmitted to PIDM upon request, including the expected lead time for production.
Assessment of Materiality of Operational Dependencies (Not applicable for DTMs under the Tailored Requirements)			
4.	The DTM has demonstrated that it has a methodology with well-defined criteria to clearly define the impact of discontinuance and substitutability in assessing the materiality of operational dependencies.		Example of supporting evidence: i. A written methodology document or internal policy describing the criteria and process used to assess the materiality across all dependency types. ii. A completed materiality assessment table applying the methodology to the full dependency inventory, showing the assigned

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			<i>materiality with supporting rationale.</i>
Demonstration of Contractual Resilience			
5.	The DTM has established and included an analysis of the effectiveness of existing mitigating actions to ensure operational service continuity.		<i>Example of supporting evidence: An analysis table that records for each material dependency: (a) the mitigating action(s) currently in place; (b) an assessment of whether each mitigant is resolution-effective (not merely BAU-effective); and (c) the residual risk classification after mitigant credit is applied.</i>
6.	The DTM has reviewed its contractual arrangements to ensure that contracts are in place, well-documented and regularly maintained.		<i>Example of supporting evidence: i. A snapshot of operational dependency listing, contractual review log or equivalent document evidencing that each material contract has been populated</i>

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			and regularly maintained. ii. Where contracts are not yet in place for an identified operational dependency, this should be explicitly noted and addressed in the Remediation Action Plan or under TSA readiness.
7.	The DTM has implemented resolution-resilient contracts for material operational services and/or critical shared services. In cases where such contracts cannot be made resolution-resilient, the DTM has identified and put in place alternative mitigating measures .		Example of supporting evidence: i. For contracts where resolution-resilient clauses have been incorporated: a clause-level extract, contract summary, or side-letter evidencing the non-termination and/or transferability provisions, traceable to the contract reference in the operational dependencies listing.

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			ii. For contracts where incorporation is not feasible: an exception register recording the counterparty, the reason for the infeasibility, and the alternative mitigating measure adopted.
8.	Where the DTM is the primary service provider within its group or for non-contractual operational interdependencies, the DTM has documented the key information to facilitate the prompt drafting of transitional service agreements upon entry into resolution and during the execution of the transfer strategy, where necessary.		Example of supporting evidence: A snapshot of TSA readiness pack for each applicable service, covering at minimum the information outlined under Paragraph 3.1.2. The pack need not be a finalised legal document; it should demonstrate that the key terms can be converted into a draft TSA promptly upon entry into resolution.

[End]