



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

**EXPOSURE DRAFT ON GUIDANCE PAPER FOR
RESOLVABILITY ASSESSMENT - OPERATIONAL
CONTINUITY IN RESOLUTION**

ISSUE DATE : 11 FEBRUARY 2026
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SECTION 1: INTRODUCTION

BACKGROUND

- 1.1 As part of the Capability Assessment 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 resolution¹ 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 should demonstrate that such capabilities and arrangements adequately address the resolution-specific considerations outlined in this 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 “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 a prompt and least disruptive 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 ² (“RAF Guidelines”) issued by PIDM on <DATE>, and forms part of the RAF Guidelines. DTM should refer to the Glossary provided in the RAF Guidelines for consistent interpretation of key terms used in this OCIR Guidance Paper.
- 1.7 A DTM is expected to undertake Capability Assessment, including in respect of the expectations in this OCIR Guidance Paper, pursuant to notification from PIDM.

RELATED DOCUMENTS

- 1.8 This OCIR Guidance Paper must be read together with other relevant legal instruments and policy documents or related documents that have been issued by PIDM and/or Bank Negara Malaysia (“BNM”) including any amendments, reissuance 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

² PIDM plans to finalise and issue the Guidelines on the Resolvability Assessment Framework for Deposit-Taking Members for implementation in 2026.

(d) Guidelines on Resolution Planning for Deposit-Taking Members issued by PIDM on 8 September 2023.

CONSULTATION PROCESS

1.9 PIDM invites written feedback on the proposed requirements, including suggestions on areas to be clarified and alternative proposals for PIDM's consideration. The written feedback should be supported with clear rationale, including examples and accompanying illustrations, where appropriate, to facilitate an effective consultation process. In addition to providing general feedback, respondents are also requested to respond to the specific questions set out in this OCIR Guidance Paper. PIDM may also pose specific questions that seek insights on the arrangements, operations and infrastructure that DTMs have in place, where such feedback would assist PIDM's consideration of the proposed requirements' impact on the DTMs.

1.10 A pre-formatted template has been made available on PIDM's website at www.pidm.gov.my and has also been emailed to the DTM's liaison officer to facilitate the provision of feedback and comments.

1.11 Responses must be submitted electronically to PIDM via rsp@pidm.gov.my by 31 May 2026. In the course of preparing your feedback specifically for this OCIR Guidance Paper, you may direct any queries to the following contact person(s):

- Puan Lilian Tee Lee Yen (liliantee@pidm.gov.my) / +603-2303 0645; or
- Encik Bryan Chong Tye Chiang (bryan@pidm.gov.my) / +603-2302 0486; or
- Encik Melvin Lim (melvin@pidm.gov.my) / +603-2303 0649.

SECTION 2: OVERVIEW

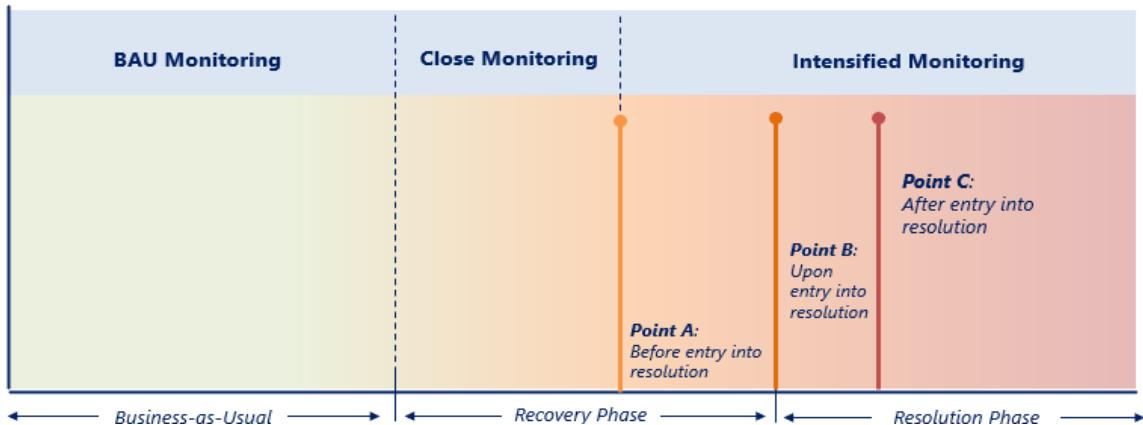
- 2.1 As outlined in the RAF Guidelines, a DTM is expected to have in place adequate arrangements to ensure the continuity of operational services necessary to maintain the DTM's critical functions and/or core business lines upon entry into resolution and throughout the resolution process. In addition, BNM's existing policy documents, as referenced in Paragraph 1.8 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**. Accordingly, certain requirements under this OCIR Guidance Paper are calibrated to reflect the differing expectations applicable to DTMs within each category.
- 2.3 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 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.
- 2.4 Cognizant of these factors, the DTM should 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 phase³. 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.

2.5 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



2.6 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:

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.	<i>"Point A": Before Entry into Resolution</i>	DTMs should 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.

³ Recovery Phase as defined in BNM's Policy Document on Recovery Planning.

No	Point along the Stress Continuum	Expectations across the stress continuum	How expectations support PIDM's objectives in resolution
2.	"Point B": Upon Entry into Resolution	DTMs should 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 ⁴ to ensure continuity of operational services and prevent termination upon DTM's entry into resolution.
3.	"Point C": After Entry into Resolution	<p>DTMs should have pre-established capabilities to facilitate a resolution as follows:</p> <p>(a) Contracts for operational services can be transferred or assigned to the acquirer; and</p> <p>(b) For material interdependencies that are not governed by a contract, a transitional services agreement can be implemented promptly to facilitate a transfer.</p>	<p>These capabilities allow PIDM or its Appointed Person to ensure the following:</p> <p>(a) The continuity of the provision of operational services to the acquirer; and</p> <p>(b) Key employees remain in place to support the functioning of operational services to the acquirer.</p>

2.7 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 covered entities⁵, and entities related⁶ to the DTM;
- (b) Intra-entity dependencies: interdependencies across internal units within the DTM (e.g., business lines, branches or divisions); and
- (c) External dependencies: dependencies by the DTM on third parties.

⁴ 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.

⁵ Under BNM's Policy Document on Recovery Planning, covered entities refer to a financial institution and its financial and non-financial subsidiaries, including insurance or takaful subsidiaries.

⁶ Pursuant to BNM's Policy Document on Recovery Planning, related entities refer to the parent bank, branches or subsidiaries, associates, joint ventures or minority interests.

2.8 Pursuant to BNM's Policy Document on Recovery Planning, DTM are only required to identify two 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 intra-group and external operational dependencies.

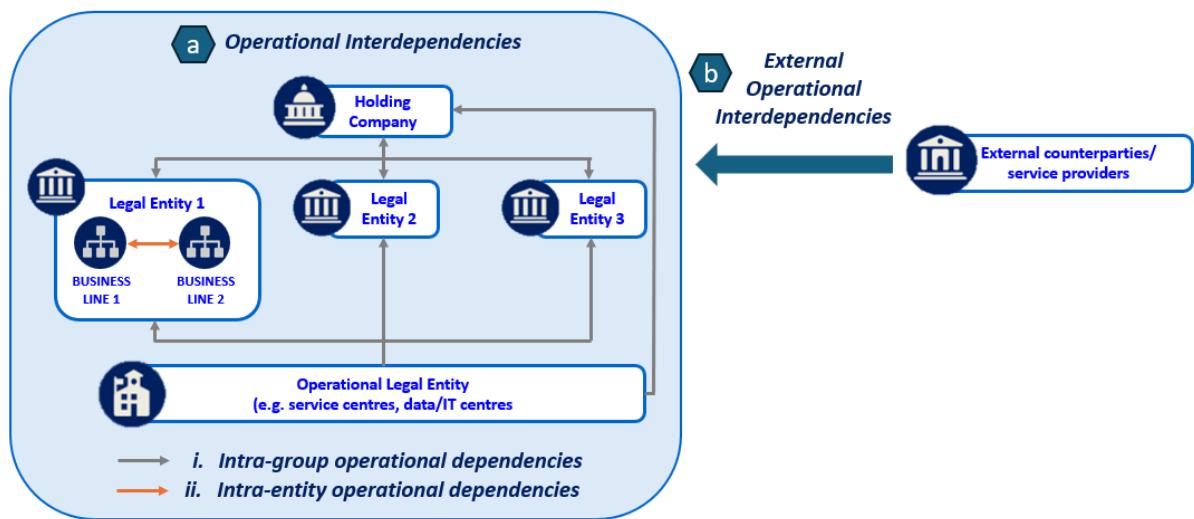
2.9 Accordingly, the scope of operational dependencies under this OCIR Guidance Paper shall encompass the following:

- (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".

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 must maintain arrangements to ensure the continued provision of services during a resolution.

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2.10 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.

The DTM is expected to have the capability to identify its potential operational dependencies based on the respective categories above.

2.11 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 interdependencies assessments conducted in accordance with the requirements set out in Section 3.3 of the RAF Guidelines.

2.12 DTM 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 based on its impact of discontinuance, substitutability and whether mitigating actions are already in place.
- **Section 3.3** sets out the expectation for a DTM to establish adequate arrangements to ensure that service contracts are resolution resilient, meaning they remain effective and enforceable upon entry into resolution

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and during the resolution process without disruption to continuity of operational services.

2.13 **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 subject to **both the Full Requirements and 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;
 - (iv) Events of default or termination events (for both the provider and recipient) as specified in the contract/arrangement;

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(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 2.10 of this OCIR Guidance paper, which refers to Appendix 4 of BNM's Policy Document on Recovery Planning.

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

Service Delivery Model: External Dependencies										
Category	Description of Dependency	Recipient	Provider	Supports CBL?		Supports CF?		Underlying Operational Assets	Critical Employee	Key Clauses of the Contract
				Y/N	Name of CBL	Y/N	Name of CF			
Information Technology	eKYC for periodic KYC reviews - Digital verification of identity during scheduled KYC re-verification	Bank A	CTOS	Y	Wholesale Banking	Y	Lending and Borrowing	eKYC platform, Secure portal	Mr. Michael, Head of Compliance	To provide information for item (f)(i) – (f)(vi)

Separability Assessment outlined in Section 3 of the RAF Guideline

Additional information requested in this Guidance Paper

▪ Intra-group dependencies – Paragraph 11.22 of RCP PD
 ▪ Intra-entity dependencies - Separability Assessment outlined in Section 3 of RAF Guideline

3.1.6 DTM shall review and update the listing and mapping of operational dependencies annually 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.

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

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Question 1 - Maintenance and Governance of Operational Dependency Mapping

- (a) As a DTM, if listing and mapping of operational dependencies is already in place, please indicate how frequently it is updated and describe the mechanisms through which it is maintained (e.g. system-based tools or manual processes).
- (b) What challenges have been encountered in maintaining and updating this mapping? Please elaborate on the specific issues faced, including contributing factors such as data availability, the complexity of dependency mapping, resource constraints, or any other operational considerations.
- (c) In addition, please provide any recommendations or best practices that may help address these challenges and facilitate a more effective and efficient submission process.

Question 2 - Contractual Termination Rights and Continuity of Operational Services in Resolution

In respect of all contracts for operational services of your institution has in place, would the DTM's entry into resolution or the exercise of any of PIDM's resolution powers constitute an event of default or give rise to termination rights under the contract?

If so, please describe the typical implications for the discontinuation of services, and indicate whether there are any existing contractual clauses or mitigants exist to ensure operational continuity during such events. Where such clauses are in place, please cite or reproduce the specific clause(s) from the relevant contract(s) that support the continuity of operational services.

3.2 ASSESSMENT OF THE MATERIALITY OF OPERATIONAL DEPENDENCIES

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

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3.2.2 For each operational dependency identified in Paragraph 3.1.2, the DTM is required to assess its materiality in order to identify the critical shared services⁷ and/or material operational services that are unique⁸ and crucial for seamless business operations upon entry into resolution and within the context of the transfer strategy.

3.2.3 Accordingly, the DTM is expected to have in place a structured methodology with clearly defined criteria for assessing its materiality. The DTM must demonstrate to PIDM the assessment methodology, which should include the following considerations:

- (a) As an initial step, the DTM should assess the materiality of operational dependencies using the criteria set out in Paragraph 11.18 of BNM's Policy Document on Recovery Planning⁹, specifically focusing on the impact of discontinuance of critical functions and the substitutability of services; and
- (b) In addition, the DTM should also take into account whether mitigating measures are already in place to ensure the continuity of operational services and its underlying operational assets. Examples of mitigating actions include having adequate contractual resilience¹⁰.
- (c) As additional guidance, the DTM may consider the following factors when assessing the materiality of operational dependencies:
 - (i) The impact of discontinuance of services on customers;
 - (ii) Whether the services are shared across multiple business lines; and
 - (iii) Whether the services are subject to regulatory reporting or compliance requirements.

⁷ 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.

⁸ 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.

⁹ Although the criteria on impact of discontinuance and substitutability outlined in Paragraph 11.18 of BNM's Policy Document on Recovery Planning are intended to identify critical shared services, DTMs may also leverage them to assess the materiality of operational dependencies for the purpose of OCIR Guidance Paper.

¹⁰ Contractual resilience refers to a contractual arrangement that remains effective and enforceable upon entry into resolution and during the resolution process.

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 sets out in Paragraph 3.3 of this OCIR Guidance Paper.

Question 3 - Assessment of Materiality for Operational Dependencies

From your perspective, what factors should be taken into account when assessing the materiality of operational dependencies? Additionally, are there specific complexities or challenges that DTMs may encounter in undertaking this assessment?

3.3 DEMONSTRATION OF CONTRACTUAL RESILIENCE

3.3.1 A DTM is required to demonstrate that it has adequate arrangements in place to ensure the continuity of contracts for relevant operational services upon entry into resolution and throughout the resolution process, provided there is no default on substantive or payment obligations under the respective contracts. This requirement applies to the DTMs under the respective categories in the manner outlined below:

(a) DTMs under the Full Requirements:

This applies where the DTM has assessed that the separation or discontinuance of services would have a material impact, and where such dependencies can be appropriately mitigated.

(b) DTMs under the Tailored Requirements:

This applies where, following coordination between PIDM and the DTM, specific operational dependencies are identified as material to support the continuation of critical or important operations upon entry into resolution and throughout the resolution process.

Accordingly, DTMs must establish arrangements that effectively address the contractual dependencies and risks identified in the subsequent paragraphs of this section.

3.3.2 *Incorporation of resolution-resilient clauses*

3.3.2.1 DTM is expected to 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. Some examples of resolution-resilient clauses typically adopted are provided below for reference:

- (a) Non-termination, suspension or modification: Service providers will not terminate, suspend or amend the terms and conditions of service provision on the grounds of the DTM's entry into resolution and being in resolution; and
- (b) Transferability of the service provision: Services can be transferred or assigned to an acquirer¹¹ by the DTM or PIDM upon DTM's entry into resolution. In the case of the transfer of a service provision, the current provider should ensure the orderly transition of the service provision to the acquirer, under the same terms and conditions for a reasonable period.

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

3.3.3 *Transitional service agreements*

3.3.3.1 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 is expected to demonstrate the capability to develop and implement a transitional service agreement ("TSA") promptly upon entry into resolution and during the execution of the transfer strategy, where necessary.

3.3.3.2 A TSA is a contract to be signed between the DTM and an acquirer in the context of transfer strategy, where the services will continue to be provided to the acquirer for a defined period. 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.

¹¹ Acquirer refers to the entity acquiring the transfer perimeter of the DTM, which could be a private sector purchaser, a bridge institution or an asset management company.

3.3.3.3 A DTM is expected to 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 is expected to 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 entry into resolution and during the execution of the transfer strategy, where necessary.

Question 4 - Identification and Prioritisation of Unique Services under the Transfer Strategy

In considering the identification of “unique services” under the transfer strategy, PIDM considers services that are customised or proprietary in nature, have limited or no substitutability, and cannot be readily sourced or replaced with standard ‘off-the-shelf’ solutions from other providers. These typically include services that are highly tailored to the DTM’s specific business processes, technology environments or risk-management frameworks, and for which, transitioning to an alternative provider would be complex, costly or operationally disruptive.

PIDM invites feedback on the methodology used to assess and prioritise(rank) services deemed unique and crucial under the transfer strategy. In particular, we welcome insights on the factors that should be considered when determining the prioritisation of such services. For example, should elements such as the service’s criticality to business operations or its role in meeting legal and regulatory obligations be incorporated into the assessment?

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Question 5 - Contract Renewal Practices and Implementation of Resolution-Resilient Clauses

- (a) On average, how frequently are your institution's contracts renewed? Do you foresee any challenges in establishing or amending contracts to incorporate resolution-resilient clauses aimed at ensuring the continuity of material operational services and/or critical shared services?
- (b) If challenges are anticipated, we would appreciate your insights into the underlying reasons – for example, complexities in contract negotiations, counterparty concerns, or resource limitations. We also welcome suggestions that could help mitigate these challenges and facilitate the incorporation of resolution-resilient clauses.

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SECTION 4: IMPLEMENTATION

4.1 As part of the requirements of the RAF Guidelines, DTM shall prepare a Self-Assessment Report documenting the outcome of the Capability Assessment. As part of the Capability Assessment, the report should 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 pre-defined template is mandated for the Self-Assessment Report, 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
Compliant	The requirements are fully met. The DTM possesses all capabilities and is able to implement them in supporting the execution of the PRS.
Largely compliant	The requirements are largely met. The DTM possesses most of the capabilities. Shortcomings are few and do not present a material impediment to the execution of the PRS.
Partially non-compliant	The requirements are partially not met. The DTM possesses some of the capabilities or has initiated steps to establish the capabilities. Shortcomings present a material impediment to the execution of the PRS.
Non-compliant	The requirements have not been met. The DTM does not possess the capabilities or has not initiated steps to establish the capabilities.
Not applicable	The requirements set out in this OCIR Guidance Paper are intended to be applicable to all DTM. DTM can mark that capability as "Not Applicable" with accompanying justification as to why it is deemed not applicable for PIDM's consideration.

¹² As outlined in Paragraph 5.1.2 of 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.

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- 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 impediments¹³. 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.

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¹³ 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, DTM s are required to complete the self-assessment checklist below in accordance with the grading scale set out in this Guidance Paper. The purpose of this assessment is to enable DTM s to demonstrate the extent to which the required capabilities have been established.

DTM s 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. Compliant/ Largely Compliant/Partially Non-Compliant/ Non-Compliant / Not Applicable)	Justification and supporting evidence for the assigned assessment ¹⁴
Identification And Mapping of Operational Dependencies			
1.	The DTM has developed a list to identify all operational dependencies in alignment with all details outlined in Paragraph 3.1.2.		
2.	The DTM can identify and reference the contracts that govern the provision of services.		
3.	The DTM has established a mapping of all operational dependencies identified to all information outlined in Paragraph 3.1.2.		
Assessment of Materiality of External Operational Dependencies (Not applicable for DTM s under the Tailored Requirements)			
4.	The DTM demonstrated that it has a methodology to clearly define the impact of discontinuance and substitutability in assessing the materiality of external operational dependencies.		
5.	The DTM has established a methodology with well-defined criteria to identify material operational services and/or critical shared services. These criteria include an analysis of the risk of		

¹⁴ DTM s 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.

No.	Requirements	Assessment (e.g. Compliant/ Largely Compliant/Partially Non-Compliant/ Non-Compliant / Not Applicable)	Justification and supporting evidence for the assigned assessment ¹⁴
	discontinuance and the effectiveness of existing mitigating actions to ensure service continuity.		
Demonstration of Contractual Resilience			
6.	The DTM has reviewed its contractual arrangements and established a work plan with a clear timeline to ensure that contracts are well-documented and resilient to resolution scenarios.		
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 .		
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.		

Question 6 - Enhancements to the Self-Assessment Checklist

PIDM welcomes suggestions on how the checklist may be enhanced, including whether the scope adequately captures the key components necessary to self-assess resolvability, and whether any additional elements should be incorporated.