Perbadanan Insurans Deposit Malaysia

Protecting Your Insurance And Deposits In Malaysia

# RESPONSE TO THE INDUSTRY FEEDBACK ON THE EXPOSURE DRAFTS ON THE RESOLVABILITY ASSESSMENT FRAMEWORK FOR DEPOSIT-TAKING MEMBERS & SIX (6) ACCOMPANYING GUIDANCE PAPERS

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## 1.0 BACKGROUND

1.1 Following the issuance of the Guidelines on Resolution Planning for Deposit-Taking Members ("RSP Guidelines") on 8 September 2023, Perbadanan Insurans Deposit Malaysia ("PIDM") has progressively developed the next layer of resolvability expectations to operationalise the resolution planning approach. In this regard, PIDM issued the Exposure Draft on Resolvability Assessment Framework ("RAF") for Deposit-Taking Members ("DTMs") and the six (6) accompanying Guidance Papers ("the Exposure Draft" or "ED") for industry consultation on 11 February 2026.

1.2 The RAF sets out PIDM's proposed approach to assess the resolvability of DTMs through a structured Separability Assessment and Capability Assessment, the requirements of which are elaborated in six (6) guidance papers covering:

(a) Operational Continuity in Resolution ("OCIR");
(b) Data and Management Information Systems in Resolution ("Data & MIS");
(c) Liquidity in Resolution ("LIR");
(d) Continuity of Access to Financial Market Infrastructures ("Access to FMI");
(e) Communication in Resolution ("CIR"); and
(f) Islamic Finance Specificities in Resolution ("IFSIR").

1.3 The consultation closed on 31 May 2026. PIDM received feedback from DTMs and other stakeholders, including accounting firms and Bank Negara Malaysia ("BNM"). This document sets out PIDM's responses to the key feedback received and summarises the refinements incorporated into the final Guidelines on the Resolvability Assessment Framework for Deposit-Taking Members ("RAF Guidelines") and Guidance Paper for Resolvability Assessment - Operational Continuity in Resolution ("OCIR Guidance Paper"), which are being prioritised for issuance at this stage. Unless otherwise defined, capitalised terms used in this document shall have the meanings ascribed to them in RAF Guidelines and OCIR Guidance Paper, which are issued concurrently with this document.

1.4 To support a proportionate implementation of the RAF, PIDM will prioritise the issuance of the RAF Guidelines and the OCIR Guidance Paper. These two documents establish the core methodology for assessing resolvability and the foundational capabilities required to support the preferred resolution strategy. PIDM has identified the "transfer strategy" as the primary preferred resolution strategy. The remaining five (5) guidance papers will be issued progressively, taking into account industry readiness and BNM's evolving regulatory initiatives at the time of issuance.

## 2.0 SUMMARY OF KEY FEEDBACK FROM THE INDUSTRY

Respondents generally supported PIDM's objective of strengthening resolvability and improving preparedness for an orderly resolution of a non-viable DTM. The proposed RAF was viewed as a structured framework to support capability development, provide clearer articulation of expectations, and facilitate structured engagement between PIDM and DTMs.

Respondents also broadly supported PIDM's proportionality approach, under which requirements are differentiated between DTMs that are subject to the Full Requirements and those that are subject to the Tailored Requirements.

At the same time, the industry highlighted several areas where phased implementation, calibrated timelines and further clarification would support the practical and proportionate implementation of the RAF.

As PIDM is prioritising the issuance of the RAF Guidelines and OCIR Guidance Paper at this stage, this section summarises the key feedback relating to these two documents and the refinements incorporated into the final documents. The feedback is grouped into four (4) broad themes:

### Proportionality and scope of application

Respondents generally supported the differentiated application of requirements between DTMs that are subject to the Full Requirements and those that are subject to the Tailored Requirements. This approach was viewed as appropriate in ensuring that resolvability expectations remain commensurate with each DTM's size and complexity, while avoiding undue burden on smaller and less complex DTMs.

In response, PIDM has maintained the proportionality approach in the final RAF Guidelines. The RAF continues to differentiate requirements between DTMs that are subject to the Full Requirements and Tailored Requirements, while providing further clarity on the scope and application of the relevant assessments.

### Implementation Approach: *Submission Timeline, Biennial Reporting Cycle and Material Changes Updates*

Respondents generally supported the reporting requirements but highlighted the significant effort involved in preparing the Separability Report and Self-Assessment Report. In particular, respondents noted that the proposed 15 month submission timeline may be challenging. Respondents also recommended a more proportionate approach for future biennial submissions, particularly where there are no material changes, and requested a longer notification period and clearer guidance on what constitutes a material change.

In response, PIDM has:

- prioritised the issuance of the RAF Guidelines and OCIR Guidance Paper as the foundational guidance papers for the initial phase of RAF implementation;

- extended the initial submission timeline from 15 months to 18 months from the date of notification by PIDM;

- applied a differentiated timeline for the OCIR Self-Assessment Report, recognising that DTMs that are subject to the Full Requirements will first complete the Separability Report, while DTMs that are subject to the Tailored Requirements are not required to submit the Separability Report;

- maintained biennial reporting during the foundational stage, while indicating that the reporting frequency and submission requirements will be reassessed after the first submission cycle;

- extended the material change notification period from 14 days to 30 days from the date of the relevant regulatory approval or the DTM's internal approval, whichever is later, as the case may be; and

- clarified that changes arising solely from reassessments of resolvability capabilities will not be considered material changes.

**RAF Methodology and Application: *Self-Assessment Grading, Evidence of Compliance, Marketability Assessment***

Respondents requested additional guidance and practical examples to support consistent implementation of requirements involving significant judgement. In particular, respondents sought clarification on self-assessment grading, evidence expectations and the Marketability Assessment.

In response, PIDM has:

- enhanced the RAF Guidelines with additional guidance and clarifications;

- replaced the existing self-assessment grading categories with "No Improvements Required", "Minor Improvements Required" and "Major Improvements Required", supported by clear grading criteria;

- provided illustrative evidence expectations and allowed cross-referencing of existing regulatory documentation to reduce duplication; and

- simplified the Marketability Assessment by removing the requirement to assess potential acquirers' financial capacity, while retaining the assessment of strategic fit and providing further guidance through Frequently Asked Questions (“FAQs”).

**Operational continuity and contractual resilience**

Respondents generally supported the OCIR requirements and recognised their alignment with existing BNM requirements relating to Recovery Planning (“RCP”), Business Continuity Management (“BCM”) and Outsourcing Policy Documents. Feedback focused primarily on the identification and mapping of operational dependencies, the assessment of materiality of operational dependencies, and the demonstration of contractual resilience.

In response, PIDM has enhanced the OCIR Guidance Paper to:

- clarify the scope and expected granularity of operational dependency mapping;

- clarify that DTMs may leverage methodologies already adopted under BNM RCP Policy Document when assessing materiality of operational dependencies; and

- clarify the expected outcomes and key elements of resolution-resilient contractual arrangements.

Detailed feedback and PIDM’s responses on the RAF Guidelines and OCIR Guidance Paper are set out in Sections 3.1 and 3.2 respectively. Feedback and responses relating to the remaining five (5) guidance papers are set out in Sections 3.3 to 3.7 and will be considered as those guidance papers are reviewed and finalised for phased issuance at a later date. PIDM will continue to monitor relevant regulatory and international developments and may refine its expectations where appropriate to support effective implementation across the RAF and accompanying guidance papers.

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## 3.0 FEEDBACK/COMMENTS RECEIVED AND PIDM'S RESPONSES

### 3.1 Exposure Draft on Resolvability Assessment Framework for Deposit-Taking Members

Respondents generally supported the proposed RAF, with feedback focused on the classification of DTMs under Full and Tailored Requirements, the scope and conduct of Separability Assessment and Marketability Assessment and implementation and reporting requirements.

| a. Overview of the Resolvability Assessment Framework |
|---|
| The RAF sets out PIDM's approach and requirements for assessing the resolvability of DTMs, including the capabilities DTMs are expected to demonstrate in support of the transfer strategy. The RAF adopts proportionality as a core principle, with requirements calibrated to each DTM's size and complexity to ensure that expectations remain fit for purpose, while supporting the effective development and assessment of resolvability capabilities across DTMs. |

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| 1. | **Classification of DTMs under Full Requirements and Tailored Requirements**<br><br>Respondents broadly supported PIDM's approach to proportionality, which differentiates the scope of assessment between DTMs that are subject to the Full Requirements and those subject to Tailored Requirements.<br><br>Some respondents sought clarification on:<br>(a) assessment factors;<br>(b) scoring or weighting criteria; and<br>(c) whether the assessment methodology and outcome will be disclosed publicly by PIDM. | <br><br><br><br>PIDM notes the broad support for the proportionality approach under the RAF.<br><br>In classifying whether a DTM is subject to the Full Requirements or Tailored Requirements, PIDM assesses the DTM's size and complexity. The assessment considers the potential impact of the DTM's failure or disruption on the financial system.<br><br>PIDM does not intend to publicly disclose the detailed assessment methodology. PIDM will, however, notify each DTM of its |

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| | | classification upon the commencement of resolution planning. |
| 2. | **Access to group resolution planning information**<br><br>Locally incorporated foreign DTMs noted challenges in furnishing group resolution plans ("GRPs") or relevant excerpts to PIDM due to:<br>(a) confidentiality constraints, as furnishing relevant excerpts would require clearance from the foreign parent banks and in some cases, the home authorities; and<br>(b) the fact that GRPs may not contain a resolution strategy specific to the locally incorporated foreign DTM, particularly where the local entity is not identified as a material subsidiary within the group resolution planning framework. | PIDM's focus remains the local resolution plan for the locally incorporated foreign DTM.<br><br>Where relevant information is contained within group resolution planning arrangements, PIDM expects DTMs to furnish such information to the extent reasonably available, taking into account applicable confidentiality and information-sharing constraints.<br><br>Where appropriate, PIDM may engage with home authorities, foreign parent banks, Crisis Management Groups ("CMGs") or resolution colleges to facilitate information sharing and support the development of the local resolution plan. |

## b. Separability Assessment

Separability Assessment applies to DTMs that are subject to the Full Requirements and assesses the operational, financial, legal, and business implications of separating the Transfer Perimeter. The assessment includes:

(a) an Impact Assessment, which assesses the degree of interconnectedness between the Transfer Perimeter and the rest of the DTM Group, including the residual DTM, if any that remain outside the Transfer Perimeter; and

(b) a Marketability Assessment, which assesses, at a high level, the availability and suitability of potential acquirers to assume the Transfer Perimeter.

## b. Separability Assessment

For the purpose of the above assessments, Transfer Perimeter refers to the specific portfolio of assets and liabilities, shares, businesses or legal entities that are intended to be transferred to one or more acquirers during a resolution.

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| 1. | **Separability Assessment**<br><br>DTMs noted their inventories and mapping of interdependencies remain at varying levels of maturity. Many DTMs maintain partial registers that are typically focused on operational and financial dependencies, while legal and business dependencies are less comprehensively captured. Where such inventories exist, they are often maintained manually, including through Excel-based records.<br><br>DTMs also anticipated challenges in conducting the Separability Assessments at DTM's business line level, particularly where systems, operations, funding and processes are integrated across entities or business units. | <br><br>PIDM acknowledges these implementation challenges, particularly for DTMs with shared infrastructure, cross border operating models and group wide service arrangements. PIDM wishes to clarify that the requirements are not intended to prescribe how DTMs should maintain their inventories or map dependencies. Rather, the objective is to ensure that DTMs can identify and assess interdependencies that may impede the execution of a transfer strategy.<br><br>PIDM will apply a phased and proportionate approach to the Separability Assessment. DTMs will initially assess separability at the entity level, consistent with RCP practices. For certain identified DTMs, PIDM may, over time, extend the assessment to the business-line level once the entity-level assessment has sufficiently matured. |
| 2. | **Marketability Assessment**<br><br>Respondents highlighted practical challenges in conducting the Marketability Assessment, particularly given the limited granularity of publicly available information to assess | <br><br>Having considered the feedback received, PIDM has removed the expectation for DTMs to assess the financial capacity of potential acquirers as part of the Marketability Assessment in the RAF |

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| | potential acquirers' operational capabilities, business profile, financial capacity, strategic intentions, and risk appetite, to assume the Transfer Perimeter.<br><br>Respondents also highlighted that market conditions at the point of resolution may differ significantly from those reflected in available information.<br><br>Accordingly, some respondents suggested that PIDM allows for an appropriate degree of judgement and the use of internal assessments to supplement publicly available data. | Guidelines, recognising that such assessments would require assumptions on potential acquirers' financial position and funding capacity, which may change materially by the time a resolution action is undertaken.<br><br>PIDM has retained the requirement for DTMs to assess strategic fit of the Transfer Perimeter within a potential acquirer's business model and will provide further guidance, through FAQs. In assessing the strategic fit of the Transfer Perimeter, DTMs may supplement publicly available information with market intelligence and industry research. Any such analysis and assumptions should be clearly documented. |

## c. Implementation & Reporting

The RAF sets out PIDM's proposed implementation and reporting requirements for DTMs, as follows:

(a) DTMs that are subject to the Full Requirements are required to submit the Separability Report; and

(b) all DTMs are to submit the Self-Assessment Report for the relevant resolvability expectations, supported by the applicable self-assessment checklist.

Both reports are required to be submitted within the prescribed timelines and thereafter, updated and re-submitted on a biennial basis. The RAF also requires DTMs to notify PIDM of material changes that may affect their resolvability assessment.

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| 1. | **Timeline for submission of Separability Report and Self-Assessment Report**<br><br>Respondents provided mixed views on the proposed 15-month submission timeline of the Separability Report and Self-Assessment Report. A majority sought a longer timeline, citing the breadth and depth of the assessment, the complexity of group-wide data consolidation and cross-jurisdictional coordination, and competing regulatory obligations.<br><br>A number of respondents considered the timeline achievable where existing RCP capabilities can be leveraged. | Having considered the feedback received, PIDM will apply a differentiated submission timeline to reflect the obligations of DTMs under the Full Requirements and Tailored Requirements.<br><br>DTMs subject to the Full Requirements will submit the Separability Report within 18 months and the OCIR Self-Assessment Report nine (9) months thereafter, while DTMs subject to the Tailored Requirements will submit only the OCIR Self-Assessment Report within 18 months.<br><br>This extension is intended to provide DTMs with additional time to plan, allocate resources and develop the required capabilities. |
| 2. | **Biennial submission**<br><br>Respondents generally supported the requirement to update and submit the Separability Report, where applicable, and the Self-Assessment Report on a biennial basis.<br><br>Some respondents suggested that PIDM consider a more proportionate approach for subsequent reporting cycles, particularly where there have been no material changes affecting the DTM's resolvability assessment. Suggestions included simplified update requirements | PIDM notes the feedback received. The biennial submission cycle will be maintained during the foundational stage to promote regular review, capability-building and continued engagement on resolvability matters.<br><br>PIDM will reassess the reporting cycle and submission requirements after the completion of the first round of submissions, taking into account the implementation experience, the quality of submissions received and the extent of |

| No. | Feedback Received | Response by PIDM |
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| | or attestations in lieu of a full report refresh. | material changes affecting DTMs' resolvability assessments. |
| 3. | **Update on material change**<br><br>Respondents generally considered the requirement to notify PIDM of material changes within 14 days to be manageable within existing governance, escalation and approval processes.<br><br>Some respondents requested a longer notification period for material changes, while others sought further clarification on the circumstances that would constitute a material change. | PIDM notes the feedback received. The definition of "material change" remains as set out in paragraph 5.2.2. of the RAF Guidelines. However, recognising that a DTM's assessment of its capabilities in executing the transfer strategy may evolve as part of an ongoing and iterative resolution planning process, changes arising solely from such reassessments will not be considered "material change". DTMs should reflect such updates in their biennial submissions.<br><br>PIDM also acknowledges the practical challenges associated with obtaining internal approvals for material changes within a short timeframe.<br><br>Accordingly, PIDM has extended the notification period for material changes from 14 days to 30 days from the date of the relevant regulatory approval or the DTM's internal approval, whichever is later, as the case may be. |
| 4. | **Self-Assessment Grading Categories**<br><br>Respondents generally supported the grading approach for assessing capabilities across the resolvability expectations. Some respondents sought clarification on: | PIDM notes the feedback received. The grading categories have been revised to better align the assessment with the objective of identifying impediments to resolvability and the execution of the |

| No. | Feedback Received | Response by PIDM |
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| | (a) the distinction between “Largely Compliant” and “Partially Non-Compliant”;<br>(b) illustrative examples or indicative thresholds to support consistency in application; and<br>(c) the extent to which existing evidence may be cross-referenced rather than duplicated. | transfer strategy, rather than assessing compliance in isolation.<br><br>The revised grading categories comprise three (3) categories: 'No Improvements Required', 'Minor Improvements Required' and 'Major Improvements Required’, supported by further guidance in the RAF Guidelines.<br><br>PIDM will also set out illustrative evidence expectations in the relevant guidance papers as they are rolled out to the industry. To avoid duplicative reporting, DTMs may cross-reference existing evidence maintained under RCP, BCM and Outsourcing Policy Documents, where relevant. |

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## 3.2 Exposure Draft on Guidance Paper for Resolvability Assessment – Operational Continuity in Resolution

Respondents generally supported the OCIR requirements, noting that they are aligned with existing BNM requirements relating to RCP, BCM and Outsourcing Policy Documents. This alignment was viewed as helpful in enabling DTMs to leverage existing frameworks and practices. Feedback focused primarily on areas where further clarification would support implementation, including the identification and mapping of operational dependencies, materiality assessments and the demonstration of contractual resilience.

| a. Identification and Mapping of Operational Dependencies |
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| DTMs are required to identify, map and maintain operational dependencies that support critical functions and critical shared services. This mapping should be sufficiently granular to identify material dependencies and support operational continuity, while remaining proportionate to each DTM's size and complexity. |

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| 1. | **Operational Dependency Mapping and the use of Existing Mappings prepared under BNM's Policy Documents**<br><br>Respondents sought clarification on:<br>(a) the expected scope and granularity of operational dependencies to be mapped, including provider and recipient relationships;<br>(b) dependencies that extend beyond the defined Transfer Perimeter; and<br>(c) extent to which existing mappings prepared under BCM, RCP and Outsourcing Policy Documents may be leveraged.<br><br>Respondents also highlighted practical challenges in producing comprehensive | <br><br><br><br><br>PIDM wishes to clarify that the mapping is expected to cover all operational dependencies supporting the Transfer Perimeter, including critical employee positions, underlying operational assets, and relevant contracts and arrangements[1].<br><br>DTMs may leverage existing mappings developed for risk management and regulatory purposes, including those prepared under the BCM, RCP and Outsourcing Policy Documents. However, DTMs should assess whether these mappings are sufficient for OCIR purposes, |

[1] Please refer to paragraph 3.1.2 of the OCIR Guidance Paper

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| | mappings, particularly where data sources are disaggregated, processes are maintained manually, or dependencies involve intra-group and head office arrangements. | as the required scope and granularity may differ from those submitted under the RCP Policy Document.<br><br>For the purpose of the OCIR Guidance Paper, DTMs should identify and map all operational dependencies supporting the Transfer Perimeter, including dependencies that may subsequently be assessed as non-material. DTMs may refer to Figure 3 of the OCIR Guidance Paper for an illustrative example of the identification and mapping of operational dependencies. |

## b. Assessment of Materiality of Operational Dependencies

DTMs are required to assess the materiality of operational dependencies to support the prioritisation of remediation efforts. This assessment should consider the impact of discontinuance, the substitutability of operational services and whether appropriate mitigating measures are in place to support the continuity. Where relevant, DTMs may leverage existing criticality or materiality assessments conducted under the RCP Policy Document.

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| 1. | **Methodology for Assessing Materiality of Operational Dependencies**<br><br>Respondents sought clarification and guidance on:<br>(a) the extent to which the materiality assessment under OCIR should be aligned with the criticality or materiality assessment performed in the Recovery Plan, including assessment related to critical | PIDM has clarified in the OCIR Guidance Paper that DTMs may leverage existing methodologies developed under the RCP Policy Document when assessing the materiality of operational dependencies.<br><br>PIDM does not intend to prescribe quantitative thresholds at this stage, as the materiality assessment should remain risk- |

| No. | Feedback Received | Response by PIDM |
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| | functions, core business lines, critical shared services; and<br>(b) whether PIDM intends to prescribe quantitative thresholds, benchmarks or a scoring framework to support consistent assessment of materiality across DTMs.<br><br>A few respondents suggested supplementary factors for consideration, such as customer impact, regulatory obligations and real-time processing requirements. | based. Additional examples of supplementary factors have been included in the OCIR Guidance Paper to support DTMs in conducting the assessment. |

## c. Demonstration of Contractual Resilience

DTMs are required to review their critical shared services and/or material operational service contracts and demonstrate that adequate arrangements are in place to ensure the continuity of such services upon entry into resolution and throughout the resolution process. Implementation of resolution-resilient contractual arrangements may be undertaken in phases, with priority given in the initial phase to unique services.

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| 1. | **Scope of Critical Shared Services and/or Material Operational Service Contracts and Alternative Mitigants to Ensure Continuity**<br><br>Respondents noted that the entry into resolution, or the exercise of PIDM's resolution powers, may constitute an event of default or trigger termination rights under existing contracts.<br><br>Respondents sought clarification on:<br>(a) the scope of contracts to be remediated, including whether remediation applies to all material | PIDM clarifies that the demonstration of contractual resilience applies to critical shared services and/or material operational services where no existing mitigating measures are in place to support continuity upon entry into, and throughout, resolution. DTMs are expected to prioritise unique services supporting the Transfer Strategy. |

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| | contracts or only contracts supporting critical functions or critical shared services;<br>(b) acceptable alternative mitigating measures where resolution-resilient clauses cannot be incorporated within relevant timeframes; and<br>(c) whether remediation may be undertaken on a phased basis, taking into account renewal cycles or risk-based prioritisation. | Where resolution-resilient clauses cannot be incorporated within the relevant timeframe, DTMs should identify and implement alternative mitigants such as pre-identified substitute providers and other continuity arrangements.<br><br>Remediation may be undertaken on a phased basis, taking into account the materiality and uniqueness of the operational services, practicable implementation considerations and where appropriate, the DTM's normal contract renewal cycles. |
| 2. | **Sample Contractual Clauses and Industry Standardisation**<br><br>Respondents expressed concerns regarding the requirement to have resolution-resilient contractual provisions in critical shared services and/or material operational service contracts, noting that:<br><br>(a) DTMs may have limited bargaining leverage when dealing with dominant global service providers, such as cloud service providers, core banking system vendors;<br>(b) service providers may be more receptive if such provisions are positioned as an industry-wide regulatory expectation rather than a DTM-specific request; and<br>(c) standardised language may reduce prolonged legal negotiations and | <br><br><br>PIDM has considered the feedback received. While sample clauses may promote consistency and at times facilitate negotiations, PIDM does not intend to issue standard contractual clauses, given the differences in service types, operational arrangements, governing laws, and commercial considerations. Instead, PIDM has clarified in the OCIR Guidance Paper the expected outcomes and key elements of resolution-resilient contractual arrangements.<br><br>This principles-based approach is intended to support DTMs in negotiating contractual terms that facilitate continuity and transferability of critical shared services and/or material operational services in resolution, while preserving flexibility for contractual language to reflect the specific |

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| | promote consistency across the industry.<br><br>Respondents suggested that PIDM provide sample contractual clauses that DTMs may adapt when negotiating with third-party service providers.<br><br>A few respondents also suggested that PIDM aligns its expectations with international frameworks on resolution stays and contractual resilience. | circumstances of DTMs and their service providers. |
| 3. | **Prioritisation of Unique Services under the Transfer Strategy**<br><br>Respondents sought clarification on the methodology for assessing and prioritising unique services, including:<br>(a) whether DTMs may leverage existing methodologies and assessments, such as business impact analyses conducted under the BCM Policy Document and criticality assessments conducted under the RCP Policy Document; and<br>(b) whether factors such as criticality to business operations, legal and regulatory obligations, time-sensitivity, technical complexity and interconnectedness with other applications should be incorporated into the prioritisation framework. | PIDM notes the feedback received. DTMs may leverage existing methodologies and assessment, including business impact analysis conducted under the BCM Policy Document and criticality assessments under the RCP Policy Document, as a starting point in assessing and prioritising unique services.<br><br>PIDM clarifies that prioritisation under OCIR should reflect resolution-execution considerations, which may differ from business-as-usual ("BAU") or recovery scenarios.<br><br>In prioritising unique services, DTMs should focus on services that are essential to maintaining the operational continuity of the Transfer Perimeter, particularly where the Transfer Perimeter would be unable to operate without such services. DTMs may consider, among others, the following factors: |

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| | | (a) criticality to the execution of the Transfer Strategy and continuity of critical functions/critical shared services;<br>(b) substitutability within resolution timelines;<br>(c) legal and regulatory obligations; and<br>(d) the degree of interconnectedness and technical complexity of the service. |
| 4. | **Transitional Service Agreement ("TSA")**<br><br>Some respondents sought clarification on whether services under a TSA are intended to be provided "to" or "by" the acquirer. | PIDM has clarified in the OCIR Guidance Paper that reference to TSA[2] is intended to cover both:<br>a) forward arrangements, under which services continue to be provided by the successor or Transferee[3] to the DTM; and<br>b) reverse arrangements, under which services continue to be provided by the DTM to the successor or Transferee,<br>following the implementation of the transfer strategy, where relevant.<br><br>This clarification is intended to ensure that all arrangements necessary to support the continuity of critical shared services and/or material operational services and the effective execution of the transfer strategy are appropriately considered. |

[2] Please refer to paragraph 3.3.5.2 of the OCIR Guidance Paper

[3] "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

## d. Other Feedback

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| 1. | **Application of Proportionality**<br><br>Respondents sought clarification on:<br>(a) the differentiation between OCIR expectations applicable to DTMs that are subject to the Full Requirements and those subject to Tailored Requirements;<br>(b) whether smaller and less complex DTMs may be subject to a reduced scope of OCIR requirements; and<br>(c) whether a phased implementation approach will be adopted, with implementation timelines and transition expectations clearly communicated. | <br><br>PIDM wishes to clarify that DTMs that are subject to the Full Requirements are expected to comply with all requirements set out in Section 3 of the OCIR Guidance Paper. DTMs subject to Tailored Requirements are only required to comply with a reduced set of requirements[4] tailored to reflect their size and complexity.<br><br>The OCIR Guidance Paper adopts a phased approach to demonstrating contractual resilience, allowing DTMs to prioritise material, unique and hard-to-substitute operational services.<br><br>PIDM will communicate implementation timelines and transition expectations with sufficient lead time. This is to enable DTMs to plan their resources effectively and develop the required capabilities in an orderly manner. |
| 2. | **Industry Engagement and Implementation Support**<br><br>Respondents suggested that PIDM considers:<br>(a) establishing an industry working group, particularly on contractual resilience, to discuss practical implementation issues under the OCIR framework; and | <br><br>PIDM acknowledges that continued engagement with industry is important to support the effective implementation of the OCIR framework. PIDM will continue to engage DTMs through industry briefings, bilateral engagements and other appropriate channels to clarify expectations |

[4] Refer to Sections 3.1 and 3.3 of the OCIR Guidance Paper

| No. | Feedback Received | Response by PIDM |
|---|---|---|
| | (b) conducting periodic industry briefings and issuing FAQs or case study publications to support consistent interpretation and implementation. | and address implementation issues as they arise. |

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## 3.3 Exposure Draft on Guidance Paper for Resolvability Assessment - Data and Management Information Systems in Resolution

Respondents generally supported the proposed requirements and acknowledged the importance of timely data in supporting resolution preparedness. Feedback focused on the scope and timeliness expectations of Resolution-Related Data, as well as guidance on deposit account modification requirements to promote consistent application across the industry.

### a. Capability to Generate Resolution-Related Data

| Feedback Received |
|---|
| Industry feedback centred on the need for greater clarity regarding the depth and breadth of Resolution-Related Data. Respondents suggested that PIDM publish additional guidance to enhance understanding and support consistent implementation<br><br>Some respondents highlighted the legal and operational challenges associated with effecting the deposit account modifications, particularly in relation to internal governance and customer communication. Respondents suggested that PIDM publish a clear framework to support consistent interpretation and application across the industry. |

| Preliminary Response by PIDM |
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| PIDM notes the feedback received. The proposed data listings are intended to serve as illustrative examples of the types of data that may be relevant for resolution planning and execution. As data requirements may vary depending on the circumstances and the points along the stress continuum, DTMs are encouraged to maintain appropriate internal infrastructure and processes to identify and extract the relevant information as and when requested by PIDM, to facilitate timely resolution execution.<br><br>On deposit account modification, PIDM notes the suggestion to publish a specific framework to support consistent interpretation and implementation across the industry. PIDM will take into account the concerns and feedback raised by DTMs in developing and refining future guidance in this area. |

## b. Capability to Generate Data in a Timely Manner

**Feedback Received**

Industry feedback on the generation of timely data was generally constructive. Respondents acknowledged the importance of timely data in supporting preparedness for an orderly resolution and suggested that PIDM establish clearer expectations and standards for data timeliness. Respondents also recommended that PIDM consider publishing additional guidance, including a standard template for reporting data generation times, to promote consistency and enhance preparedness across the industry.

**Preliminary Response by PIDM**

PIDM notes the feedback received. PIDM has not prescribed minimum report generation time standards, recognising that data generation capabilities may vary across DTMs depending on their size, complexity, operating model and existing data infrastructure. As the guidance paper for Data & MIS will be issued at a later date, PIDM will continue to engage with DTMs and take into account their circumstances, implementation progress and relevant developments when reviewing and finalising the guidance for issuance.

## c. Capability to Generate Disaggregated Data

**Feedback Received**

Industry feedback on data disaggregation was broadly similar to the feedback on resolution-related data wherein respondents sought greater clarity on the expected depth and granularity of data required, including whether PIDM would provide a standard template or a ‘minimum resolution dataset’ to support consistent implementation across the industry.

**Preliminary Response by PIDM**

PIDM notes the feedback received. PIDM has not prescribed standard templates or uniform data requirements applicable to all DTMs at this stage, recognising that resolution data requirements may vary depending on each DTM’s size, complexity, operating model, data infrastructure and the circumstances at the relevant stage of the stress continuum.

| Preliminary Response by PIDM |
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| As the guidance paper for Data & MIS will be issued at a later date, PIDM will take into account the feedback received, including the request for additional guidance or standardised templates, when reviewing and finalising the guidance for issuance. |

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## 3.4 Exposure Draft on Guidance Paper for Resolvability Assessment - Liquidity in Resolution

Respondents acknowledged that existing supervisory and operational frameworks provide a strong foundation for developing resolution-specific capabilities. Nevertheless, feedback focused primarily on practical implementation challenges, particularly the development of resolution-specific stress scenarios and the operational feasibility of T+1 liquidity reporting. Respondents noted that T+1 liquidity reporting may require system and infrastructure upgrades to enable timely data generation and submission.

### a. Methodology for Estimating Liquidity Needs

| Feedback Received |
|---|
| Industry feedback was generally constructive. Respondents acknowledged that DTMs' existing supervisory stress-testing frameworks provide a robust foundation for developing resolution-specific liquidity capabilities.<br><br>A key recurring theme was the perception that DTMs would be required to develop new standalone resolution-specific stress scenarios. Some respondents raised concerns about the absence of historical precedents, which would make it difficult to calibrate behavioural parameters under conditions that have not been observed.<br><br>Respondents also sought clarification on the interpretation and application of assumptions relevant to the period leading up to and during resolution, particularly those concerning operational continuity funding needs and risks arising from contract termination. |

| Preliminary Response by PIDM |
|---|
| PIDM notes the feedback provided. For the avoidance of doubt, PIDM does not expect DTMs to develop new standalone resolution-specific stress scenarios. Instead, DTMs are expected to consider how existing stress-testing frameworks and parameters may be recalibrated, where appropriate, to incorporate resolution-specific considerations and assumptions relevant to the period leading up to and during resolution. Existing frameworks developed for supervisory stress testing and RCP purposes provide an appropriate starting point. DTMs should assess how the risks identified may evolve under resolution conditions, including potential liquidity needs arising from operational continuity requirements and contract termination risks. |

| Preliminary Response by PIDM |
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| PIDM will take into account the feedback received when reviewing and finalising the guidance paper on LIR for issuance. Where appropriate, PIDM may provide further guidance on the application of key assumptions and will continue to engage DTMs bilaterally on implementation issues. |

## b. Reporting of Liquidity during Resolution

| Feedback Received |
|---|
| Respondents broadly acknowledged the importance of timely liquidity reporting in resolution but highlighted the T+1 requirement as a material operational challenge.<br><br>Most respondents indicated that their current liquidity reporting is produced on a T+2 basis or longer, and that system enhancements may be required to meet a T+1 reporting expectation. Capabilities vary across balance sheet items, with Treasury-managed or contractual positions more readily available than non-Treasury (e.g. loans/financing, deposits) and off-balance sheet items, where projections are more dependent on inputs from across business units and subject to greater behavioural assumptions. DTMs with multi-entity or cross-border structures also highlighted additional challenges where overseas entities are unable to produce daily positions. |

| Preliminary Response by PIDM |
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| PIDM notes the feedback provided. PIDM considers timely liquidity information essential to support informed decision-making during the implementation of the transfer strategy. For the avoidance of doubt, the T+1 reporting obligation will only be triggered upon PIDM's formal notification to the DTM that it has been assessed to be at Point A: Run Up to Resolution. It is not intended to be a BAU reporting requirement.<br><br>PIDM recognises that complete precision may not always be achievable within a T+1 timeframe. A reasonable degree of tolerance may be applied, provided that the information submitted is sufficiently reliable to support timely decision-making by PIDM, and that adequate internal controls are in place to ensure the integrity of the information reported.<br><br>PIDM encourages DTMs to assess whether ongoing or planned system enhancements, including those undertaken or planned for prudential or supervisory purposes, can be leveraged or extended to support resolution-specific reporting capabilities. |

## c. Identification and Mobilisation of Collateral

| Feedback Received |
|---|
| Industry feedback was generally constructive. Respondents noted that DTM's existing collateral management frameworks are largely calibrated to high-quality liquid assets and, where applicable, loan/financing portfolios eligible under Cagamas arrangements. Most respondents indicated that their existing systems are broadly capable of supporting the identification of lower quality and less liquid assets, and that major system upgrades are not anticipated. Some DTMs also noted ongoing system development initiatives that are expected to further strengthen collateral identification capabilities.<br><br>Where gaps exist, these are largely operational in nature and relate to specific areas such as instrument-level encumbrance tagging for less liquid asset classes, clearer distinction between eligible and non-eligible assets, and consolidation of collateral data across group entities. Respondents also highlighted practical challenges in establishing timely and reliable valuations for loans/financing portfolios, particularly where active secondary markets are absent. |

| Preliminary Response by PIDM |
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| PIDM notes the generally positive assessment of DTM's existing collateral identification and mobilisation capabilities.<br><br>DTMs may leverage existing collateral management frameworks, including those developed for prudential liquidity risk management and RCP purposes, as a starting point for developing resolution preparedness capabilities. DTMs should assess the extent to which these frameworks can be progressively extended to support the identification, monitoring and mobilisation of the broader range of collateral that may be relevant for resolution purposes.<br><br>PIDM notes the challenges associated with establishing reliable valuations for illiquid loans/financing portfolios, particularly where active secondary markets are absent. While precise valuations may not always be feasible during periods of severe stress, the ability to estimate the potential liquidity value of assets remains critical to informing funding decisions.<br>PIDM will continue to monitor industry practices and consider whether further guidance is required on the minimum information to assess suitability, value and enforceability of collateral offered during resolution, to support consistent implementation across DTMs. |

### 3.5 Exposure Draft on Guidance Paper for Resolvability Assessment - Continuity of Access to Financial Market Infrastructures

Respondents are generally supportive of the proposed requirements to ensure continuity of access to FMI arrangements in resolution. Feedback focused primarily on implementation and clarification matters, including FMI dependency mapping, the application of the requirements to DTMs with indirect or cross-border FMI arrangements, the treatment of trade repositories, and the scope, frequency and flexibility of the proposed reporting requirements.

#### a. Identification and Mapping of FMI Relationships

| Feedback Received |
|---|
| Industry feedback on the proposed guidance paper, self-assessment checklist and FMI reporting template was broadly supportive. Respondents generally viewed these materials as providing useful clarification of the PIDM's expectations relating to continuity of access to FMI arrangements.<br><br>Some respondents sought further guidance on identification and mapping FMI dependencies, particularly in relation to foreign FMI contractual negotiations, practical implementation for smaller DTMs with indirect FMI participation models, and proportionality considerations in ensuring continuity of access to FMI. Respondents also sought clarification on whether trade repositories fall within the scope of continuity of access to FMIs for a DTM in resolution.<br><br>In relation to implementation, respondents requested further clarification on the minimum scope of reporting requirements for DTMs that are subject to Tailored Requirements, the expected reporting frequency, including whether reporting would be periodic or on request, and the degree of flexibility permitted in the format of information submitted relative to prescribed reporting templates. |

| Preliminary Response by PIDM |
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| PIDM notes the feedback provided. PIDM clarifies that trade repositories are not within the scope of continuity of access to FMIs, consistent with the Financial Stability Board's Guidance on Continuity of Access to FMIs for a Firm in Resolution.<br><br>PIDM notes that identifying and documenting FMI dependencies may be practically challenging, particularly where access to FMI is facilitated through group entities, affiliates or other financial intermediaries. DTMs are expected to identify FMI dependencies that may |

| Preliminary Response by PIDM |
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| affect the continuity of critical functions or the effective execution of their transfer strategy, including dependencies arising from both direct and indirect access arrangements.<br><br>For DTMs that are subject to Tailored Requirements, PIDM notes the feedback on the reporting scope, frequency and submission requirements and the flexibility in the format of information submitted.<br><br>As the guidance paper on Access to FMI will be issued at a later date, PIDM will take into account the feedback received when reviewing and finalising the guidance for issuance. |

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## 3.6 Exposure Draft on Guidance Paper for Resolvability Assessment - Communication in Resolution

Respondents generally viewed DTMs' existing communication, stakeholder management and crisis response frameworks as sufficiently robust and adaptable to support resolution scenarios. Key feedback focused on the practical challenges of maintaining a dedicated resolution stakeholder map and ensuring that existing communication frameworks can be adapted to address resolution-specific needs effectively.

### a. Identification of Key Stakeholders

| Feedback Received |
|---|
| Respondents generally viewed DTM's existing communication frameworks, stakeholder management and crisis response as sufficiently adaptable to incorporate resolution scenarios. They noted resolution-related communication requirements could be integrated into existing BCM and RCP Policy Documents as well as the crisis communication framework.<br><br>Respondents also indicated that leveraging DTM's existing communication and stakeholder management frameworks would be more practical than developing separate resolution-specific arrangements. Some respondents highlighted practical challenges in maintaining a dedicated resolution stakeholders' map, including keeping information current, assigning ownership for updates and adapting existing stakeholder lists to reflect resolution specific needs. |

| Preliminary Response by PIDM |
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| PIDM notes the feedback received. Maintaining up-to-date stakeholder information is important to ensure that PIDM and DTMs are able to execute communication strategies effectively during resolution.<br><br>As an initial step, DTMs are encouraged to embed the maintenance of resolution stakeholder information within existing processes such as annual BCM or RCP reviews, business impact analysis, third-party risk management or outsourcing register updates. DTMs should establish clear ownership and accountability for updating specific stakeholder information to ensure the information remains current and reliable. |

| Preliminary Response by PIDM |
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| PIDM will consider whether further guidance on data currency, ownership and accountability would be useful when reviewing and finalising the guidance paper on CIR for issuance. |

## b. Adequate Arrangements to support Communication Plan

| Feedback Received |
|---|
| Industry feedback indicated that DTMs generally have established communication, stakeholder management and crisis response capabilities that can support resolution-related communication. These include engagement protocols, designated points of contact, communication channels, approval hierarchies and spokesperson arrangements, which respondents considered broadly adaptable for resolution scenarios.<br><br>DTMs generally maintain surge-capacity arrangements proportionate to their size and complexity, supported by existing crisis management structures, and where applicable, group resources. Most DTMs are able to activate alternative communication channels and have traditional media and social media monitoring capabilities with defined escalation processes.<br><br>For DTMs with cross-border operations, respondents highlighted that group-level crisis communication frameworks, centralised oversight structures and coordination arrangements with head offices are already in place to support consistent messaging across jurisdictions. |

| Preliminary Response by PIDM |
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| PIDM notes that DTMs generally have the necessary communication, coordination, monitoring and escalation capabilities to support resolution scenarios.<br><br>PIDM's approach is to build on existing DTM capabilities, rather than require the development of entirely separate dedicated resolution arrangements. When the guidance paper on CIR is issued in the future, PIDM will engage with DTMs to assess how existing communication, coordination and escalation mechanisms can be applied or adapted to support resolution scenarios. |

### 3.7 Exposure Draft on Guidance Paper for Resolvability Assessment - Islamic Finance Specificities in Resolution

Respondents generally provided constructive views on the Shariah principles that may be appropriate to facilitate transfers in resolution, for PIDM's consideration. Feedback focused primarily on areas where further clarification would support implementation, including transfer mechanisms, the treatment of Investment Accounts ("IAs"), operational readiness requirements and the role of the Shariah Committee in supporting resolution actions.

#### a. Transferability of Contracts in Resolution

| Feedback Received |
|---|
| Respondents generally supported the use of appropriate Shariah principles to facilitate transfers during resolution. Respondents also supported, in principle, the bundling of certain assets and/or liabilities of an Islamic DTM in a single transaction, provided that the relevant Shariah requirements of the bundled assets and/or liabilities are satisfied. In operationalising such a transaction, some respondents suggested using a master agreement on the commercial terms, supplemented by Shariah contract-specific transfer documentation to address the requirements of the underlying Shariah contracts.<br><br>Some respondents also sought additional guidance on transfer mechanisms to promote greater consistency, support operational readiness and facilitate timely execution during a resolution. |

| Preliminary Response by PIDM |
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| PIDM acknowledges that Islamic DTMs are best placed to assess the operational, contractual and Shariah considerations relating to their respective products, services and portfolios. PIDM will take into account the feedback received when reviewing and finalising the guidance paper on IFSIR for issuance at a later date, including practical considerations relating to the transfer of Islamic assets, liabilities and business in a resolution scenario. |

## b. Resolvability of Investment Account in Resolution

| Feedback Received |
|---|
| Industry feedback largely focused on the need for greater clarity on the treatment of IAs in a resolution scenario, including Shariah compliance considerations, communication of potential transfer arrangements, the distinction between deposits and IAs, circumstances in which redemption restrictions may apply, and expectations relating to liquidity constraints, profit and loss allocation, proportionality and communication protocols with Investment Account Holders ("IAHs").<br><br>Some respondents also suggested greater emphasis be placed on operational readiness, including capabilities to segregate IA assets and distinguish between unrestricted IAs, restricted IAs and intra-group IA arrangements, to support effective resolution planning and execution. |

| Preliminary Response by PIDM |
|---|
| PIDM notes the feedback received. PIDM recognises that the treatment of IAs in resolution may involve operational, contractual, Shariah and stakeholder communication considerations, including matters relating to asset segregation, consent requirements and communication with customers, counterparties and IAHs.<br><br>PIDM also notes that these considerations are best addressed as part of BAU operations, as much as possible. In particular, any consent requirements that may arise in a resolution scenario should, where possible, be identified and addressed in advance through appropriate planning and preparedness measures.<br><br>As the guidance paper on IFSIR will be issued at a later date, PIDM will take into account the feedback received when reviewing and finalising the guidance, including practical considerations relating to the treatment and transfer of IAs, asset segregation, stakeholder communication and Shariah-compliant execution of resolution actions. |

## c. Others – The Role of Shariah Committee in Resolution

| Feedback Received |
|---|
| Respondents sought clarification on the role and authority of the Shariah Committee during resolution, including its role in providing views, advice, consultation or approvals in relation to the implementation of resolution actions, as well as the determination of the appropriate Shariah principles. |

| Preliminary Response by PIDM |
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| PIDM notes the feedback received. Where an Islamic DTM is assessed to be non-viable, PIDM may assume control of the Islamic DTM and appoint an appointed person to manage its affairs or facilitate its transfer to an acquirer.<br><br>Upon PIDM assuming control, responsibility for the management and administration of the Islamic DTM would vest in PIDM or the appointed person, as applicable. Shariah compliance would remain an integral component of the management and administration of the Islamic DTM in resolution. Accordingly, PIDM will determine the continued involvement of the existing Shariah Committee, or the involvement of any of its members, as is necessary for ensuring the DTM's business, affairs and activities comply with Shariah. |

## 4.0 NEXT STEPS

4.1 Taking into consideration the industry feedback, PIDM will proceed with issuance of the RAF Guidelines and the OCIR Guidance Paper as the foundational documents for the initial implementation of the RAF. The remaining guidance papers will be reviewed and issued progressively, taking into consideration industry readiness, implementation capacity and relevant regulatory developments at the time of issuance.

4.2 PIDM will communicate the implementation details for the resolvability assessment to DTMs, including each DTM's classification under the Full Requirements or Tailored Requirements, as applicable, and the proposed Transfer Perimeter(s) for the relevant DTMs.

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