



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

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

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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 (“CIR Guidance Paper”), a DTM is to demonstrate its ability to have in place adequate arrangements that support PIDM’s communication strategy upon entry into resolution¹ and throughout the resolution process.
- 1.2 The requirements outlined in this exposure draft 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 CIR Guidance Paper, if deemed necessary to advance resolution planning and improve overall resolvability of the DTM.
- 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 CIR 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 CIR Guidance Paper relates to the following legal provisions in the Malaysia Deposit Insurance Corporation Act 2011 (“PIDM Act”):
 - (a) Section 97A: PIDM may draw up, review and amend a resolution plan for the orderly resolution of a member institution; and

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.

- (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 CIR Guidance Paper is applicable to all DTMs.
- 1.6 The CIR 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 CIR Guidance Paper.
- 1.7 A DTM is expected to undertake the Capability Assessment, including in respect of the expectations in this CIR Guidance Paper, pursuant to notification from PIDM.

RELATED DOCUMENTS

- 1.8 This CIR Guidance Paper must be read together with other relevant legal instruments, 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 Recovery Planning issued by BNM on 28 July 2021 (“BNM’s Policy Document on Recovery Planning”);
 - (b) Policy Document on Business Continuity Management issued by BNM on 19 December 2022 (BNM’s Policy Document on BCM”); and
 - (c) Guidelines on Resolution Planning for Deposit-Taking Members issued by PIDM on 8 September 2023.

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

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 CIR Guidance Paper. PIDM may also pose specific questions that seek insights on the arrangements, operations and infrastructure that DTM's have in place, where such feedback would assist PIDM's consideration of the proposed requirements' impact on the DTM's.

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 CIR Guidance Paper, you may direct any queries to the following contact person(s):

- Puan Mandy Yip (mandy@pidm.gov.my) / +603-2303 0647; or
- Encik Chiok Foong Chuan (foongchuan@pidm.gov.my) / +603-2303 0634.

SECTION 2: OVERVIEW

2.1 This guidance paper is intended to set out expectations on communication in resolution in addition to the existing BNM's Policy Document on Recovery Planning³ and BNM's Policy Document on BCM⁴.

2.2 The development of DTM's capabilities for resolution phase is key in enabling PIDM as the resolution authority to resolve the DTM in a prompt and orderly manner in the event of the DTM's failure. Entry into resolution 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.

2.3 To be resolvable, a DTM should have in place capabilities to support PIDM's communication strategy during the resolution phase, in addition to its existing capabilities during Business-As-Usual ("BAU") and the recovery phase⁵. The expectations set out in this CIR Guidance Paper differ from those applicable during BAU, such as business continuity management, where communication is focused on business disruption scenarios and in recovery planning, where communication is linked to specific recovery options.

2.4 Effective communication with all stakeholders of the DTM is essential for a successful implementation of the resolution action. Upon entry into resolution and throughout the resolution process, PIDM intends to leverage the DTM's key resources, particularly its crisis communication capabilities, to support PIDM's communication strategy. This is to ensure well-coordinated communication among all stakeholders and maintain public confidence.

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

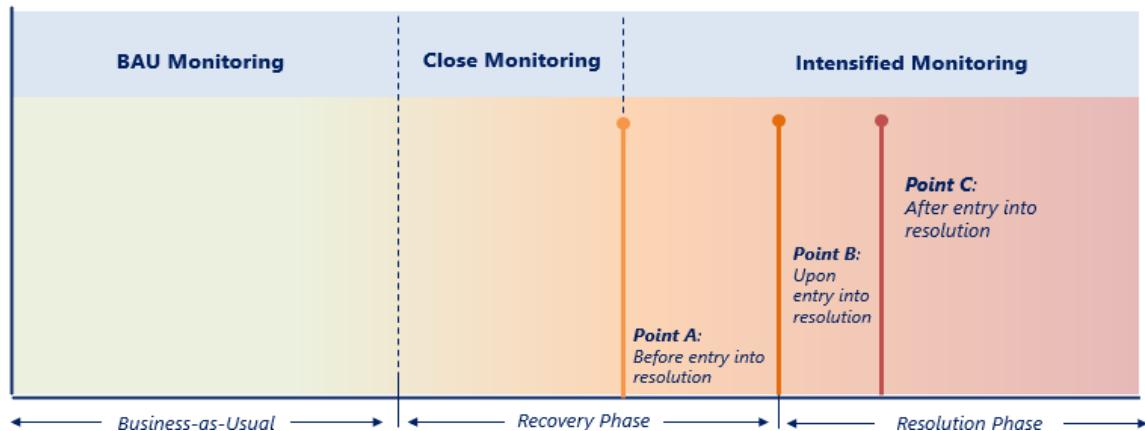
- Point A: Before Entry into Resolution
- Point B: Upon Entry into Resolution
- Point C: After Entry into Resolution

³ Paragraphs 16.1 to 16.3

⁴ Paragraphs 9.29 to 9.33

⁵ Recovery Phase as defined in BNM's Policy Document on Recovery Planning

Figure 1: Stress Continuum and the phases of resolution



2.6 The following table summarises the expectations outlined in **Section 3** of this CIR Guidance Paper, which DTM s are required to **establish in advance of stress events and maintain throughout the stress continuum**. These expectations are designed to ensure that DTM s 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.	"Point A": Before Entry into Resolution	DTM s should have pre-established capabilities to furnish updated information as and when required by PIDM on: <ul style="list-style-type: none"> (a) key stakeholders in resolution; (b) communication infrastructure/channels; and (c) arrangements to manage information leakage, confidential information and disclosure requirements. 	These capabilities allow DTM s to furnish updated information to PIDM in a timely manner, thereby supporting PIDM or its Appointed Person in the planning of the communication strategy upon DTM's entry into resolution.
2.	"Point B": Upon Entry into Resolution	DTM s should have pre-established capabilities to support PIDM or its Appointed Person ⁶ to execute the communication plan upon entry into resolution by ensuring the following:	These capabilities allow PIDM or its Appointed Person to plan and execute the communication strategy upon DTM's entry into resolution.

⁶ This is a person appointed by PIDM to assume control of and to carry on or manage the non-viable DTM pursuant to paragraph 99(1)(c) of the PIDM Act.

No	Point along the stress continuum	Expectations across the stress continuum	How expectations support PIDM's objectives in resolution
		(a) key stakeholders are informed through identified communication channels; (b) key employees remain in place to support PIDM's communication plan; and (c) confidential information is protected and disclosure requirements are managed.	
3.	"Point C": After Entry into Resolution	DTM should have pre-established capabilities to support PIDM or its Appointed Person to execute the communication plan during resolution by ensuring the following: (a) key stakeholders are informed through identified communication channels; (b) key employees remain in place to support PIDM's communication plan; and (c) confidential information is protected and disclosure requirements are managed.	These capabilities allow PIDM or its Appointed Person to plan and execute the communication strategy during the resolution of the DTM.

2.7 DTM are expected to have capabilities to support PIDM's communication plan and the subsequent sections will provide further guidance to achieve this:

- **Section 3.1** outlines the expectation for a DTM to identify key stakeholders to be informed upon entry into resolution of the DTM; and
- **Section 3.2** sets out the expectation for a DTM to establish adequate arrangements to support PIDM's communication plan.

2.8 **Applicability of Sections:** All sections in this CIR Guidance Paper apply to DTM that are subject to either the **Full Requirements** or the **Tailored Requirements** under the RAF Guidelines.

2.9 While PIDM imposes similar expectations for communication in resolution for all DTM, consistent with the principle of proportionality, DTM subject to **Tailored Requirements** are not expected to develop the same breadth or depth of capabilities as those under the **Full Requirements**. However, they should demonstrate that their arrangements are sufficiently robust and fit-for-purpose to support an effective resolution.

SECTION 3: REQUIREMENTS FOR COMMUNICATION IN RESOLUTION

3.1 IDENTIFICATION OF KEY STAKEHOLDERS

- 3.1.1 A clear understanding of the DTM's key stakeholders allows PIDM to ensure that communication and coordination are targeted and effective. This is crucial for maintaining trust, preventing confusion, and managing potential risks during a resolution. In executing a resolution of the DTM, PIDM will leverage the DTM's identification of key stakeholders that need to be informed, as well as the specific strategies⁷ outlined by the DTM when engaging with them, given their integral role in the DTM's operations.
- 3.1.2 Under the Capability Assessment, a DTM shall **establish and maintain a comprehensive listing of key stakeholders⁸ who must be informed when the DTM enters resolution**. This listing should, at a minimum, include stakeholders identified under existing BNM prudential requirements, while also capturing any additional stakeholders necessary in a resolution.
- 3.1.3 For each identified stakeholder group, the DTM shall:
 - (a) identify the appropriate **communication channels** to inform them, indicating whether these channels are managed internally or outsourced. In the event primary communication channels become unavailable, the DTM is expected to identify alternative communication channels. Where such channels are not yet established, the DTM is expected to describe how promptly the channel can be mobilised;
 - (b) specify the **contact details of the key personnel** of the stakeholder; and
 - (c) specify the **critical employee post/position** supporting communication to the stakeholder.

⁷ Such as communication channels or protocols.

⁸ Example of additional stakeholders includes but is not limited to institutional clients, employee unions, rating agencies and key opinion leaders.

3.1.4 Upon entry into resolution of the DTM, PIDM will leverage the DTM's key employees as much as possible to execute the communication plan, given the established familiarity and long-standing relationships between the DTM and the key stakeholders involved. Examples of support from the key employees include:

- (a) assistance with communication with key stakeholders. At minimum, the objective of the communication is to inform key stakeholders of the assumption of control of the DTM by PIDM or its Appointed Person. The communication on the execution of the preferred resolution strategy will be tailored according to the situation at the time, in coordination with PIDM's communication plan; and
- (b) prompt adjustment to the communication plan and related documents (e.g. Frequently Asked Questions) to align with PIDM's communication strategy and plan during resolution of the DTM.

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Question 1 – Identification of Key Stakeholders and Communication Capacity

The identification of key stakeholders who must be informed upon the DTM's entry into resolution is essential to ensure that these stakeholders receive accurate, timely and consistent information. Effective stakeholder engagement supports collaboration, facilitates an orderly resolution process, enhances transparency and ultimately contributes to achieving desired resolution outcomes.

- (a) Please describe how resolution scenario(s) can be incorporated into the existing communication plans or strategies developed under the Business Continuity Management, Recovery Planning or other relevant crisis frameworks. In particular, please indicate how the DTM ensures consistency, alignment and operational readiness across these frameworks when applied in a resolution context.
- (b) Please elaborate on the potential challenges the DTM may face in identifying key stakeholders as part of the Capability Assessment. For each challenge, please describe the contributing factor(s) and the potential impact on your institution, if any.
- (c) For each stakeholder identified under the Business Continuity Management, Recovery Planning, or any other relevant purposes, please indicate whether the DTM's existing processes also establish specific engagement protocols - such as a clear delineation of internal responsibilities for communicating with each identified stakeholder, the designated points of contact on both sides and defined modes of engagement. In your view, what are the specific engagement protocols that should apply in the context of resolution and how do they differ from or complement the Business Continuity Management, Recovery Planning or existing crisis communication framework(s)?
- (d) Does the DTM currently maintain arrangements and/or resources to mobilise additional capacity - such as a 24-hour call centre, enhanced communication infrastructure, or surge staffing mechanisms - to ensure effective communication with the key stakeholders identified under your existing crisis communication arrangements?
- (e) In the event that primary communication channels become unavailable, how quickly can alternative communication channels be activated?

3.2 ADEQUATE ARRANGEMENTS TO SUPPORT COMMUNICATION PLAN

3.2.1 The DTM shall have arrangements in place to ensure that:

- (a) **confidentiality of information is fully maintained.** Before entry into resolution of the DTM, certain employees in the DTM or its related entities may be informed in advance of the impending resolution action to be taken in respect of the DTM. These employees shall maintain strict confidentiality and exchange information on a need- to-know basis and in a secure manner;
- (b) **information leak is prevented, and if so, immediately addressed.** Examples of situations where confidential information may leak, either intentionally or accidentally, include but are not limited to data breach or cyber-attack, whistleblower leaks or press leaks; and
- (c) **disclosure requirements applicable under relevant national law(s)/regulation(s) are fully met.** DTM is expected to review which disclosure requirements may be triggered. Where relevant, PIDM is to be informed about the case(s) where disclosure would unduly impact the implementation of the resolution strategy (e.g. published, price-sensitive information).

3.2.2 A coordinated communication strategy with key stakeholders (e.g. authorities, branches or subsidiaries) is critical to ensure confidentiality, maintain clarity, and prevent confusion or unnecessary panic before and during the resolution of the DTM. The strategy should incorporate robust safeguards against information leakage and establish clear escalation and response protocols to manage and mitigate the impact of such incidents.

Question 2 – Arrangement to Monitor and Mitigate Misinformation

To mitigate the risk of adverse market reactions resulting from misinformation during a resolution event, PIDM seeks to understand the DTM's existing arrangements to proactively identify, monitor, and respond to such risks across media and social-media platforms.

Please describe the current arrangements in place to monitor media and social media platforms. In particular, please explain how the DTM identifies, assesses and addresses misinformation on such platforms. Your response should include:

- the tools, processes, or units responsible for ongoing monitoring;
- the criteria or escalation triggers used to determine whether information requires verification or intervention; and
- the mechanisms or protocols the DTM employs to respond to, correct, or mitigate misinformation that could undermine market confidence or operational stability.

Question 3 – Cross Border Communication Arrangement

For DTMs with an overseas parent entity, branches or subsidiaries, it is crucial to maintain a clear and well-defined communication plan that specifies when and how these related entities will be informed ahead of the DTM's resolution. Such plans, particularly those implemented across multiple jurisdictions, should take into account regulatory expectations, disclosure requirements, local languages, and time-zone differences. From a regulatory perspective, the rapidly evolving digital information landscape amplifies the risk of misinformation, premature disclosure, or inconsistent messaging. As information can circulate rapidly across platforms and jurisdictions, it is essential for the DTM to maintain a coordinated and timely communication strategy involving key stakeholders, including relevant authorities and the DTM's overseas parent entity, branches or subsidiaries. This helps minimise confusion and prevents unnecessary market reactions before and upon entry into resolution.

What arrangements are currently in place between the DTM and its overseas parent entity, branches or subsidiaries to ensure coordinated communication during a crisis?

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 CIR Guidance Paper**, along with the proposed Remediation Action Plan⁹. At this stage, no pre-defined template is mandated, allowing DTM the flexibility to determine the best approach for presenting its demonstration and analysis.

4.2 Additionally, 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 CIR 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.

⁹ 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.

- 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 impediments¹⁰. 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 CIR 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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¹⁰ 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 ¹¹
Identification of key stakeholders			
1.	The DTM has identified and maintained all key stakeholders that need to be informed when the DTM is in resolution.		
2.	<p>For each stakeholder, the DTM has specified the</p> <ul style="list-style-type: none"> (a) appropriate communication channels to inform them, and DTM has indicated whether channels are managed internally or outsourced. DTM has identified alternative communication channels when the primary channels are not available. For channels that are not yet established, the DTM has described how promptly the channel can be mobilised; (b) contact details of the key personnel of the stakeholder; and (c) critical employee post/position supporting communication to the stakeholder. 		

¹¹ 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 ¹¹
Adequate arrangements to support communication plan			
3.	The DTM has arrangements in place to: (a) ensure that confidentiality of information is fully maintained; (b) prevent and address information leakage ; and (c) ensure that disclosure requirements applicable under relevant national law(s)/regulation(s) are fully met .		

Question 4 - 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.

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