

## Section 2: Resolution Approaches & Tools

No	Question	Answer
1.	Will the approval of the failing MI shareholders and creditors be required prior to PIDM executing resolution action? Will the failing MI be consulted?	In a resolution, under paragraph 99(3)(a) of the PIDM Act, PIDM or its appointed person is not required to notify or obtain the approval of shareholders or creditors of the member institution to effect any of PIDM's resolution powers or to implement a resolution.
2.	What is the role of PIDM if a non-member institution within a PIDM member institution financial group fail?	<p>PIDM is mandated under the PIDM Act to act as the resolution authority for its member institutions. PIDM's resolution powers extend to its member institutions only.</p> <p>In the event a non-member institution of PIDM fails and if such failure does not affect the viability of a member institution, the failure of the non-member institution will be dealt with under the relevant insolvency procedures separately by the relevant authorities responsible for the non-member institution.</p> <p>However, if the failure of a non-member institution causes a member institution to enter into resolution, PIDM will be responsible to resolve the member institution. PIDM will coordinate and collaborate with other relevant authorities, both foreign and domestic, such as BNM, Securities Commission or Bursa Malaysia to ensure effective and orderly resolution of a member institution group.</p>
3.	Will PIDM continue to uphold Shariah requirements in a resolution? For example, will PIDM adhere to Shariah requirements in effecting a transfer in resolution? Or will PIDM considers a bridge institution ("BI")'s capability to manage Islamic products, including imposing any criteria on the BI to	PIDM will continue to uphold Shariah requirements in a resolution. For example, in executing the transfer strategy, PIDM will ensure that the acquiring entity is authorised to carry on Islamic banking business, such as an entity licensed by BNM under the Islamic Financial Services Act 2013 ("IFSA") to carry on

	<p>ensure Shariah compliance in relation to the Islamic products?</p>	<p>Islamic banking business and subject to the applicable Shariah requirements.</p> <p>In relation to the implementation of an Islamic BI, PIDM has established an Islamic subsidiary, which once designated as a BI is intended to operate as a licensed Islamic bank subject to BNM and Shariah requirements under the IFSA, unless otherwise exempted.</p>
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