

## Section 1: About Resolution

No	Question	Answer
1.	What are the criteria to determine if recovery options are no longer considered feasible?	If a member institution has no reasonable prospects of recovery (i.e. to restore its long-term viability in a timely manner), then the implementation of recovery options will be deemed not feasible or ineffective.
2.	Which authority in Malaysia is responsible to decide whether a member institution should enter resolution? When will this happen?	<p>PIDM's resolution powers will be triggered when BNM notifies PIDM under section 98 of the PIDM Act, in writing, that BNM is of the opinion that a member institution has ceased to be viable, or is likely to cease to be viable. BNM and PIDM will consult and coordinate with each other in relation to the non-viability notification and preparation.</p> <p>In determining the non-viability of a member institution, BNM may take into consideration a combination of criteria, including capital, liquidity, profitability, business viability, confidence over the management of the member institution and extent of regulatory non-compliance, if any.</p>
3.	What is the role of a member institution during the transition from recovery to resolution stage?	<p>During the recovery stage, PIDM member institution is responsible to execute its recovery options to maintain or restore its long-term viability.</p> <p>In the event recovery options fail to restore the member institution long-term viability and a notice of non-viability is issued by BNM, PIDM or its appointed person as defined under paragraph 99(1)(c) of the PIDM Act, may assume control of the member institution with a view to resolve the failing institution in an orderly manner.</p> <p>In the resolution stage, the continuous support a failing member institution and its</p>

		management would be crucial to ensure effective implementation of resolution actions and maintaining financial stability.
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