



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

**GUIDELINES ON THE LEVY ASSESSMENT
FOR INSURER MEMBERS**

ISSUE DATE : 16 MARCH 2026



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PART A: INTRODUCTION

1.0 BACKGROUND

- 1.1 In exercise of its powers under the Malaysia Deposit Insurance Corporation Act 2011 (“PIDM Act”), Perbadanan Insurans Deposit Malaysia (“PIDM”) administers levy assessments and collections for insurance companies and takaful operators (collectively known as insurer members or “IMs”)—
- (a) for the assessment year in which they become member institutions under subsection 36(2) of the PIDM Act (such levy referred to as “first levy”); and
 - (b) for each assessment year following the assessment year in which they become member institutions (such levy referred to as “annual levy”).
- 1.2 The Guidelines on the Levy Assessment for Insurer Members (“the Guidelines”) provide guidance to IMs on the components and requirements of the levy assessment as well as collection process in an assessment year, namely—
- (a) the basis for calculation of levy or levy base;
 - (b) the Differential Levy Systems (“DLS”) Framework, applicable to both takaful and insurance businesses, covering the assessment criteria of IMs for levy purposes; and
 - (c) the submission requirements applicable to IMs with regard to levy assessment and collection by PIDM.
- 1.3 The Guidelines will apply to all IMs effective from the assessment year (“AY”) 2026.
- 1.4 The Guidelines shall supersede the following documents:
- (a) the Guidelines on Differential Levy Systems Framework for Insurance Companies issued on 30 March 2020 (“DLS Guidelines”);
 - (b) the Guidelines on Differential Levy Systems Framework for Takaful Operators issued on 30 March 2020 (“DLST Guidelines”);

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- (c) the Guidelines for the Returns on Calculation of Levies for Takaful and Insurance Businesses issued on 20 December 2021 (“RCL Guidelines”);
 - (d) the Addendum to DLS Guidelines, DLST Guidelines and RCL Guidelines issued on 8 September 2023;
 - (e) the Addendum to RCL Guidelines issued on 7 April 2025; and
 - (f) the Guidelines on Validation Programme: Differential Levy Systems and Levies Calculation issued on 10 February 2021.
- 1.5 The Guidelines shall be read together with the other relevant legal instruments within the purview of PIDM, in particular the following:
- (a) the Malaysia Deposit Insurance Corporation (Basis for Calculation of First Levy and Annual Levy in respect of Insurer Members) Order 2023 (“Levy Base Order”)¹;
 - (b) the Malaysia Deposit Insurance Corporation (Differential Levy Systems in respect of Insurer Members) Regulations 2023 (“DLS Regulations”)²; and
 - (c) the Malaysia Deposit Insurance Corporation (Rates for First Levy and Annual Levy in respect of Insurer Members) Order 2023 (“Levy Rates Order”).
- 1.6 A reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- 1.7 PIDM may, in such form and subject to such terms and conditions as PIDM thinks fit, specify such other periods or dates for compliance with any of the provisions in the Guidelines, or for any act to be done.
- 1.8 Unless expressly stated otherwise, any information or document required to be submitted to PIDM under the Guidelines, including any letter, report, form, returns and action plan, shall be submitted online through PIDM’s Industry Portal. The original hard copy shall be kept by the IMs.

¹ As amended by the Malaysia Deposit Insurance Corporation (Basis for Calculation of First Levy and Annual Levy in respect of Insurer Members) (Amendment) Order 2026.

² As amended by the Malaysia Deposit Insurance Corporation (Differential Levy Systems in respect of Insurer Members) (Amendment) Regulations 2026.

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1.9 Enquiries relating to the Guidelines may be directed to:

General Lines: 03 – 2173 7436 / 03 – 2265 6565

E-mail: dls@pidm.gov.my

2.0 OVERVIEW OF THE LEVY ASSESSMENT FOR IMS

First Levy

2.1 Pursuant to the PIDM Act—

- (a) an IM is required to pay the first levy for the assessment year in which it becomes a member institution, unless otherwise provided in the PIDM Act; and
- (b) the first levy payable is the higher of:
 - (i) two hundred and fifty thousand ringgit (RM250,000); or
 - (ii) the levy amount as assessed under the Levy Assessment Framework (as defined in paragraph 2.4 below) and based on the applicable first levy rate as prescribed in the Levy Rates Order.

Annual Levy

2.2 Pursuant to the PIDM Act, every IM is required to pay annual levy for each assessment year following the assessment year in which it becomes a member institution, unless otherwise provided in the PIDM Act. The annual levy amount payable for each assessment year shall be assessed under the Levy Assessment Framework.

2.3 The rates applicable for the annual levy and the minimum amount of annual levy payable are prescribed in the Levy Rates Order.

Levy Assessment Framework for First and Annual Levy of IMs

2.4 Diagram 1 below depicts the formula for the levy payable by an IM to PIDM in an assessment year and summarises the key components of the levy assessment for an IM. The formula and approach to levy assessment for an IM is referred to as the “Levy Assessment Framework”.

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PART B: BASIS FOR CALCULATION OF LEVY

3.0 LEVY BASE

3.1 The basis for calculating the amount of annual levy payable by an IM in each assessment year is prescribed in the Levy Base Order and summarised below:

Table 1: Levy base applicable to an IM

Business type	Annual levy <i>[subsection 72(1) of the PIDM Act]</i>
Family takaful	Valuation of family takaful liabilities of certificates reported as Business within Malaysia ("Valuation of Family Takaful Liabilities") as at 31 December of the preceding assessment year
Life insurance	Valuation of life insurance liabilities of policies reported as Business within Malaysia ("Valuation of Life Insurance Liabilities") as at 31 December of the preceding assessment year
General takaful	Total net takaful revenue of certificates reported as Business within Malaysia ("Total Net Takaful Revenue") for the preceding assessment year
General insurance	Total net insurance revenue of policies reported as Business within Malaysia ("Total Net Insurance Revenue") for the preceding assessment year

In the Guidelines, "Business within Malaysia" shall have the meaning assigned to it in BNM's Insurance & Takaful Statistical Reporting ("ITSR") on Submission of Quarterly/Annual Statistical Reporting.

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3.2 The levy base applicable to the respective business types of the IMs is derived from the formula set out as follows:

Table 2: Formula for levy base calculation

Business type	Formula for levy base calculation
Family takaful	<p><i>Valuation of Family Takaful Liabilities = [a – b – c]</i></p> <p>where:</p> <p>a = Takaful contract liabilities;</p> <p>b = Retakaful contract assets;</p> <p>c = Adjustments</p> <ul style="list-style-type: none"> i. Net asset value of investment-linked unit fund; ii. Unallocated surplus; and iii. Shareholder’s fund liabilities.
Life insurance	<p><i>Valuation of Life Insurance Liabilities = [a – b – c]</i></p> <p>where:</p> <p>a = Insurance contract liabilities;</p> <p>b = Reinsurance contract assets;</p> <p>c = Adjustments</p> <ul style="list-style-type: none"> i. Net asset value of investment-linked unit fund; ii. Contractual service margin; iii. Unallocated surplus; and iv. Shareholder’s fund liabilities.
General takaful	<p><i>Total Net Takaful Revenue = [a – b]</i></p> <p>where:</p> <p>a = Takaful revenue; and</p> <p>b = Allocation of retakaful contributions.</p>
General insurance	<p><i>Total Net Insurance Revenue = [a – b]</i></p> <p>where:</p> <p>a = Insurance revenue; and</p> <p>b = Allocation of reinsurance premiums.</p>

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Reporting for levy assessment (levy base)

- 3.3 The figures for each item in the formula are to be reported in the Levy Assessment Reporting Form available on PIDM’s website: Form F (for family takaful business), Form L (for life insurance business) and Form G (for general takaful and insurance businesses).
- 3.4 Unless otherwise specified, the sources of information for completing the Levy Assessment Reporting Form are BNM’s ITSR on Submission of Quarterly/Annual Statistical Reporting and/or other supporting information for the relevant financial period that has been approved by the management of the IM.
- 3.5 Further details on the sources of information for each item in the formula are set out in the Levy Assessment Reporting Form. Reference shall be made to BNM’s Guidance Notes for ITSR on the definition of the items in the formula, where applicable.

4.0 TRANSITIONAL ARRANGEMENTS IN RELATION TO MEDICAL AND HEALTH INSURANCE OR TAKAFUL (“MHIT”) BUSINESS FOR AY2026 AND AY2027

- 4.1 An IM carrying on family takaful or life insurance business may exclude the increased portion of the valuation of family takaful or life insurance liabilities in respect of the MHIT certificates or policies (“MHIT liabilities”) arising from the implementation of the interim measures announced by BNM on 20 December 2024 (“MHIT interim measures”), from the levy base calculation for AY2026 and AY2027.
- 4.2 For the purpose of paragraph 4.1, the Levy Base Order provides that the valuation of MHIT liabilities for AY2026 and AY2027 shall be as at 31 December 2024 instead of 31 December of the preceding assessment year. In respect of the valuation of liabilities of an IM which becomes a member institution after 31 December 2024, the valuation of MHIT liabilities shall be as at 31 December of the assessment year in which the IM becomes a member institution.

Reporting for MHIT liabilities

- 4.3 In order to effect the transitional arrangement as set out in paragraphs 4.1 and 4.2 above, the formula as set out in Table 3 below is adopted in the Levy Assessment Reporting Form for purposes of the adjustment of MHIT liabilities for AY2026 and AY2027.

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Table 3: Formula for adjustment of MHIT liabilities for AY2026 and AY2027

<p>Adjustment of MHIT liabilities = [A] – [B]</p> <p>where,</p> <p>[A] = Valuation of MHIT liabilities as at 31 December of the preceding assessment year; and</p> <p>[B] = Valuation of MHIT liabilities as at 31 December 2024.^{Note 1, 2}</p> <p><i>Note 1: An IM may apply the valuation of MHIT liabilities as at 31 December 2024, either with or without the increase of liabilities arising from MHIT interim measures. However, once the valuation basis is selected for AY2026, this same amount shall be applied for AY2027.</i></p> <p><i>Note 2: In respect of the valuation of liabilities of an IM which becomes a member institution after 31 December 2024, the valuation of MHIT liabilities shall be as at 31 December of the assessment year in which the IM becomes a member institution instead of 31 December 2024.</i></p>

- 4.4 The adjustment of MHIT liabilities is to be reported in the Levy Assessment Reporting Form: Form F (for family takaful business) and Form L (for life insurance business). The information reported shall be supported by documentation evidencing the adjustment as approved by the management of the IM.
- 4.5 For the avoidance of doubt, the net contractual service margin, shareholder’s fund liabilities and/or unallocated surplus associated with the MHIT liabilities shall be deducted once only under the Adjustments section of the Levy Assessment Reporting Form. Total MHIT liabilities adjustment with a negative balance shall be reported as zero. Further details are set out in the Levy Assessment Reporting Form.
- 4.6 An illustration on the calculation of adjustment of MHIT liabilities is set out in Appendix II.
- 4.7 Paragraphs 4.1 to 4.6 above also apply to the calculation of levies for new IMs and IMs under a business transfer scheme for amalgamation.

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PART C: DLS FRAMEWORK

5.0 OVERVIEW OF THE DLS FRAMEWORK

5.1 The DLS Framework sets out the assessment criteria of IMs for levy purposes. It is intended to differentiate IMs according to their risk profiles to incentivise sound risk management practices while incorporating the RCC which provides meaningful incentives towards promoting IMs' resolution readiness.

5.2 The DLS Framework incorporates two (2) main components of assessment as follows:

(a) **Safety and soundness component**

The safety and soundness component is based on BNM's supervisory rating i.e. the CRR as an anchor to differentiate IMs based on their respective risk profiles. BNM's supervisory rating determines an IM's levy category which then determines the levy rate and gross levy amount applicable to the IM; and

(b) **RCC**

RCC is designed to incentivise an IM's resolvability. RCC is in the form of deductible and is determined based on the resolvability related qualifying expenses incurred by an IM that are expected to strengthen industry resilience and facilitate orderly resolution of a failed IM by PIDM.

The application of these components to derive the levy payable are outlined in the table below:

Table 4: DLS Framework for an IM

Component	Part C1: Safety and soundness	Part C2: Resolution centric
Criteria	Based on BNM's supervisory rating	Deductible based on resolvability related qualifying expenses
Scoring approach	1. BNM's supervisory rating forms the basis for an IM's levy category which then determines the levy rate ³	Deductible is determined based on the resolvability related qualifying expenses incurred by an IM in the preceding

³ The levy rate applicable based on the levy category of an IM is prescribed in the Levy Rates Order.

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Component	Part C1: Safety and soundness	Part C2: Resolution centric
	<p>applicable to the IM.</p> <p>2. The levy rate is then multiplied by the levy base⁴ to derive the gross levy amount.</p> <p style="text-align: center;">Gross levy amount = Levy rate x Levy base of each business type</p>	<p>assessment year, not exceeding 30% of the gross levy amount.</p> <p style="text-align: center;">Deductible = resolvability related qualifying expenses, not exceeding 30% of gross levy amount</p>
Levy payable	Levy payable = Gross levy amount – Deductible	

Part C1: Safety and Soundness Component

- 5.3 The assessment of the safety and soundness component is anchored on BNM’s supervisory rating. BNM’s supervisory rating of an IM will be mapped to a levy category, which will accordingly set the basis for the corresponding levy rate applicable to the IM.

Table 5: BNM’s supervisory rating and levy category

BNM’s supervisory rating	Levy category
Low or equivalent	1
Moderate or equivalent	2
Above average or equivalent	3
High or equivalent	4

- 5.4 The corresponding levy rate for each levy category set out above is prescribed in the Levy Rates Order.

⁴ Please refer to Part B for further details.

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- 5.5 Where BNM’s supervisory rating for an IM is not available by the last date the IMs are required to submit the levy assessment information in an assessment year⁵, the latest supervisory rating of the IM available to PIDM will be used for the purpose of classifying the IM in a levy category for that assessment year.

Part C2: RCC

- 5.6 Pursuant to the DLS Regulations, RCC in the form of deductible shall be based on resolvability related qualifying expenses as specified by PIDM from time to time in the Guidelines.

Resolvability related qualifying expenses

- 5.7 Resolvability related qualifying expenses refer to the total expenses incurred by an IM for the following four (4) industry-wide data infrastructure and standardisation initiatives (“platforms”) managed by ISM Insurance Services Malaysia Berhad (“ISM”):
- (a) Claims and Underwriting Exchange Motor (“CUE Motor”);
 - (b) Claims and Underwriting Exchange Accident and Health (“CUE A&H”);
 - (c) Fraud Intelligence System; and
 - (d) Central Medical Claims Data Platform for MHIT.
- 5.8 In respect of paragraph 5.7, the resolvability related qualifying expenses in an assessment year shall be the total expenses⁶ (including tax) incurred or borne by an IM and which were payable to ISM and/or industry associations⁷ during the preceding assessment year for purposes of establishing, enhancing, utilising and maintaining the four (4) platforms.

⁵ The last date for IMs to submit the levy assessment information is by 31 May of each assessment year, or the immediately preceding working day if 31 May falls on a weekend or a public holiday in Kuala Lumpur (see paragraph 6.1 below).

⁶ The expenses shall include mandatory membership fees or subscription fees payable to ISM and/or industry associations as a pre-requisite for an IM to use the four (4) platforms.

⁷ Qualifying expenses refer to expenses that are incurred or deemed to be incurred, and ultimately borne by an IM. For example, where such an expense is initially paid by an industry association but subsequently charged back to an IM (whether by way of netting-off or any equivalent arrangement), it shall be regarded as an expense incurred and borne by the IM, and therefore qualifies as a resolvability related qualifying expense.



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Deductible

- 5.9 The deductible amount in an assessment year shall be the resolvability related qualifying expenses as specified in paragraphs 5.7 and 5.8 above, and shall not exceed 30% of the gross levy amount of an IM in that assessment year.
- 5.10 Where there is no resolvability related qualifying expenses incurred by an IM in an assessment year, the deductible amount shall be reported as zero in the Levy Assessment Reporting Form.

Reporting for Levy Assessment (DLS Framework)

- 5.11 The BNM's supervisory rating provided by BNM is to be reported in the Levy Assessment Reporting Form: Form MASTER.
- 5.12 The figure for the deductible amount is to be reported in the Levy Assessment Reporting Form: Form D.
- 5.13 Unless otherwise specified in writing by PIDM, the source of information for calculating resolvability related qualifying expenses shall be the periodical statements or invoices issued by ISM, and/or other relevant documents issued by industry associations.

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PART D: SUBMISSION AND COMPLIANCE REQUIREMENTS

6.0 SUBMISSION OF ANNUAL LEVY ASSESSMENT INFORMATION

- 6.1 Every IM is required to submit the certified pre-formatted excel spreadsheet, namely the Levy Assessment Reporting Form, and all supporting documents for the deductible amount, to PIDM through PIDM's Industry Portal, by **31 May** of each assessment year (or the immediately preceding working day if 31 May falls on a weekend or a public holiday in Kuala Lumpur).
- 6.2 The pre-formatted Levy Assessment Reporting Form is available on PIDM's website. No alterations or amendments shall be made to the reporting form, and only the marked cells are required to be filled in.
- 6.3 An IM's Chief Executive Officer, and Chief Financial Officer or Head of Finance or Appointed Actuary shall certify that the information provided in the Levy Assessment Reporting Form is accurate and reflective of the financial information of the IM for the financial period ended and/or as at 31 December of the preceding assessment year. All reports that require certification/signatories shall be scanned and the scanned copy shall be submitted to PIDM through PIDM's Industry Portal.
- 6.4 An IM is accountable to ensure the accuracy of information submitted for levy assessment and shall maintain proper records and information used for levy assessment, failing which, a levy surcharge may be imposed on the IM pursuant to section 75 of the PIDM Act.
- 6.5 Additionally, pursuant to section 193 of the PIDM Act, any person who prepares, signs, approves, or concurs in any account, statement, return, report or other document, required for submission to PIDM that he or she knows or has reason to believe is false or contains false or misleading information, commits an offence punishable by fine and/or imprisonment.

7.0 REMITTANCE OF LEVY

- 7.1 A notification on the levy payable will be issued to the IM via PIDM's Industry Portal once the Levy Assessment Reporting Form is certified and submitted accordingly by the IM.

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- 7.2 The levy payable shall be based on the latest Levy Assessment Reporting Form that is duly certified by the IM and received by PIDM through PIDM's Industry Portal **on or before 31 May** of that assessment year.
- 7.3 Levies payable shall be paid to and received by PIDM latest by **31 May** of each assessment year (or the immediately preceding working day if 31 May falls on a weekend or a public holiday in Kuala Lumpur) to the respective PIDM's Operational Account with BNM as follows:

Table 6: PIDM's operational account number and transaction code

PIDM's operational account	Account number	Transaction code
Family Solidarity Takaful	1554200113	PIF01
Life Insurance	1554190906	PIL01
General Takaful	1554200104	PIT01
General Insurance	1554190894	PIA01

8.0 ACCURACY OF INFORMATION

- 8.1 Following the requirements as described in paragraph 6.0, IMs should have and maintain proper governance and adequate internal controls with relevant resources and capabilities, comprehensive policies and procedures, as well as adequate systems to ensure that accurate levy information is submitted to PIDM in a timely manner.
- 8.2 In addition to the above, independent oversight by the internal auditor of IMs remains important to ensure that relevant systems, processes and controls are consistently reviewed and remain effective.
- 8.3 If required for purposes of ascertaining the verity of information submitted by an IM, or if PIDM is of the opinion that there is an error in any information submitted by an IM, PIDM may by notice to the IM, take such actions as PIDM deems fit, including but not limited to—
- (a) requiring the IM to provide further information;
 - (b) examining the operations of the IM pursuant to section 96 of the PIDM Act; or
 - (c) requiring the IM to take such other steps as PIDM may require.

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9.0 OVERDUE CHARGES

- 9.1 For any unpaid levy that is due and payable but has not been paid by an IM on the due date, PIDM will impose an overdue charge on such unpaid levy pursuant to section 76 of the PIDM Act. The overdue charge is calculated in accordance with the Malaysia Deposit Insurance Corporation (Overdue Charges) Regulations 2012 as follows:

$$\text{Overdue charges} = \text{Unpaid levy} \times 10\% \times [\text{Number of days elapsed} / 365 \text{ Days}]$$

10.0 REVIEW PROCESS

- 10.1 An IM may request for a review of its levy assessment and levy payable on the grounds set out in paragraph 10.2 below. Notwithstanding the application for a review, an IM shall pay the annual levy on or before 31 May of that assessment year (or the immediately preceding working day if 31 May falls on a weekend or a public holiday in Kuala Lumpur).
- 10.2 The review may only be made on the basis of:
- (a) an error in the information provided by the IM to PIDM under the Levy Assessment Reporting Form; or
 - (b) an error in PIDM's computation in relation to the levy assessment, levy rate or levy payable.

There shall not be any appeal against BNM's supervisory rating as BNM already provides an appropriate review process prior to assigning an IM's supervisory rating.

- 10.3 A review can be requested by an IM between 1 June to 30 August of an assessment year (or the immediately preceding working day if 30 August falls on a weekend or a public holiday in Kuala Lumpur). An IM is required to formally submit its request for a review in writing to PIDM via PIDM's Industry Portal within the time specified. The reason(s) or ground(s) for the review, as set out in paragraph 10.2 above, shall be included. PIDM will review and provide its response to the application for review by the IM by 30 September of that assessment year or any other date as may determined by PIDM. Any decision of PIDM on a review shall be final.

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10.4 Following the review, if PIDM determines that an IM has overpaid its annual levy for the relevant assessment year, PIDM shall refund the excess amount to the IM upon the conclusion of the review process. Conversely, if it is determined that an IM has underpaid its annual levy for that assessment year, the IM shall pay the shortfall to PIDM together with the applicable overdue charges as stipulated in paragraph 9.1.

11.0 PROHIBITION AGAINST PUBLIC DISCLOSURE

11.1 An IM's score for any criteria or component of the levy assessment including the following information is confidential ("Confidential Information"):

- (a) levy category in which an IM is or has been classified;
- (b) levy rate that is or was applicable to an IM; and
- (c) deductible amount, gross levy amount and levy payable or paid by an IM.

11.2 No director, officer, employee or agent of an IM or any person who, for any reason, has by any means, access to any of the Confidential Information or information or any document which discloses or contains any of the Confidential Information, shall provide or disclose to any other person or publish any such Confidential Information, information or document unless the disclosure is permitted under any law or court order or for the purpose of the IM performing its duties or carrying out the provisions of any law or any regulation, guideline or instruction made by BNM or PIDM.

11.3 A levy surcharge may be imposed on an IM that does not comply with the prohibition against public disclosure.

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PART E: LEVY ASSESSMENT FOR NEW IMS AND IMS UNDER A BUSINESS TRANSFER SCHEME FOR AMALGAMATION

12.0 DEFINITIONS

12.1 For purposes of this part:

- (a) “business transfer scheme” refers to a scheme of transfer for the whole or material part of the business of family takaful or life insurance or the business of general takaful or general insurance, in respect of a merger or acquisition exercise that results in an amalgamation. The amalgamated entity can be an existing IM that acquires or merges with another person, or can be a newly licensed entity (licensed under the Financial Services Act 2013 (“FSA”) or the Islamic Financial Services Act 2013 (“IFSA”));
- (b) “transferee member” refers to the IM to which the business of one or more transferring parties is transferred under a business transfer scheme; and
- (c) “transferring party” refers to an IM or a non-IM which transfers its business under a business transfer scheme to another IM.

13.0 NEW IMS

13.1 Pursuant to subsection 71(5) of the PIDM Act, the first levy shall be paid by an IM to PIDM within thirty (30) days from the date it becomes a member institution, or such other period as may be specified by PIDM.

13.2 PIDM will inform the respective new IMs by way of written communication on the requirements for levy assessment for the first levy, including details on submission of the Levy Assessment Reporting Form, remittance of levy and the review process.

13.3 PIDM differentiates the levy assessment between—

- (a) a new IM with no existing insurance/takaful business prior to becoming a member institution; and
- (b) a new IM with existing insurance/takaful business prior to becoming a member institution.

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New IM with no existing insurance/takaful business

13.4 A new IM with no existing insurance/takaful business prior to becoming a member institution refers to a new IM that—

- (a) does not fall within the categories/description set out in paragraph 13.6 below; and
- (b) fulfils either one (1) of the following criteria in an assessment year—
 - (i) the IM is not allowed to commence operations in the preceding assessment year; or
 - (ii) the first BNM’s supervisory rating of the IM is not available by the last date the IM is required to submit the levy assessment information in that assessment year.⁸

13.5 For the purposes of levy assessment in an assessment year, a new IM falling under the description in paragraph 13.4 above will be subject to the following:

- (a) be required to submit the Levy Assessment Reporting Form within such period as notified in writing by PIDM to the new IM;
- (b) in respect of the safety and soundness component, be classified in levy category 1;
- (c) in respect of the RCC, be based on the new IM’s resolvability related qualifying expenses incurred during the period between 1 January to 31 December of the preceding assessment year, as applicable and not exceeding 30% of the gross levy amount; and
- (d) in respect of the first levy payable, be calculated on the following basis:

Business type	Levy base
Family takaful	Valuation of Family Takaful Liabilities of the new IM as at the last day of the calendar month the new IM becomes a member institution

⁸ The last date for IMs to submit the levy assessment information is by 31 May of each assessment year, or the immediately preceding working day if 31 May falls on a weekend or a public holiday in Kuala Lumpur (see paragraph 6.1 above).

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Business type	Levy base
Life insurance	Valuation of Life Insurance Liabilities of the new IM as at the last day of the calendar month the new IM becomes a member institution
General takaful	Total Net Takaful Revenue of the new IM in the calendar month the new IM becomes a member institution
General insurance	Total Insurance Revenue of the new IM in the calendar month the new IM becomes a member institution

New IM with existing insurance/takaful business

13.6 A new IM with existing insurance/takaful business refers to:

- (a) a new IM that has been in operation and carrying on insurance/takaful business for a minimum period of two (2) years prior to being licensed under the FSA or IFSA and becoming a member institution of PIDM; or
- (b) a new IM to which the business of one or more transferring parties is transferred to the new IM under a business transfer scheme in the assessment year of which it becomes a member institution of PIDM.

13.7 For the purposes of levy assessment in an assessment year, a new IM falling under the description in paragraph 13.6 above will be subject to the following⁹:

- (a) be required to submit the Levy Assessment Reporting Form within such period as notified in writing by PIDM to the new IM;
- (b) in respect of the safety and soundness component, be classified in the relevant levy category based on BNM's supervisory rating of the new IM. If the first supervisory rating is not available by the last date the new IM is required to submit the levy assessment information in that assessment year, the new IM shall be classified in levy category 3;

⁹ The requirements will not apply to a new IM that is not required to pay first levy pursuant to section 71(3) of the PIDM Act.

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- (c) in respect of the RCC, be based on the resolvability related qualifying expenses of the new IM and the transferring parties¹⁰ incurred during the period between 1 January to 31 December of the preceding assessment year, as applicable and not exceeding 30% of the gross levy amount; and
- (d) in respect of the first levy payable, be calculated on the following basis:
- (i) A new IM as referred to in paragraph 13.6(a)

Business type	Levy base
Family takaful	Valuation of Family Takaful Liabilities of the new IM as at the last day of the calendar month the new IM becomes a member institution
Life insurance	Valuation of Life Insurance Liabilities of the new IM as at the last day of the calendar month the new IM becomes a member institution
General takaful	Total Net Takaful Revenue of the new IM in the preceding assessment year
General insurance	Total Net Insurance Revenue of the new IM in the preceding assessment year

- (ii) A new IM as referred to in paragraph 13.6(b)

Business type	Levy base
Family takaful	Where transferring party is— (i) an IM : Valuation of Family Takaful Liabilities of the transferring party as at 31 December of the preceding assessment year ; and

¹⁰ Applicable to a new IM as referred to in paragraph 13.6(b). Please refer to paragraphs 14.2 and 14.3 for further guidance.

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Business type	Levy base
	(ii) a non-IM : Valuation of Family Takaful Liabilities of the transferring party as at the transfer date in relation to the transferred business.
Life insurance	Where transferring party is— (i) an IM : Valuation of Life Insurance Liabilities of the transferring party as at 31 December of the preceding assessment year ; and (ii) a non-IM : Valuation of Life Insurance Liabilities of the transferring party as at the transfer date in relation to the transferred business.
General takaful	Total Net Takaful Revenue of the transferring party in the preceding assessment year
General insurance	Total Net Insurance Revenue of the transferring party in the preceding assessment year

14.0 IMS UNDER A BUSINESS TRANSFER SCHEME FOR AMALGAMATION: ANNUAL LEVY

14.1 In general, in a business transfer scheme for amalgamation, the transferee member will pay levies for the assessment year in which the business transfer scheme takes effect, unless levies have already been paid for in respect of the transferred business for that assessment year. The levy payable by the transferee member who is an existing IM¹¹ is calculated on the following basis:

¹¹ For a transferee member who is a new IM, please refer to paragraph 13.7(d)(ii) above.

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Business type	Levy base
Family takaful: Existing IM	<p>(a) Valuation of Family Takaful Liabilities of the IM as at 31 December of the preceding assessment year; and</p> <p>(b) Where transferring party is –</p> <p style="padding-left: 40px;">(i) an IM: Valuation of Family Takaful Liabilities of the transferring party as at 31 December of the preceding assessment year; and</p> <p style="padding-left: 40px;">(ii) a non-IM: Valuation of Family Takaful Liabilities of the transferring party as at the transfer date in relation to the transferred business.</p>
Life insurance: Existing IM	<p>(a) Valuation of Life Insurance Liabilities of the IM as at 31 December of the preceding assessment year; and</p> <p>(b) Where transferring party is –</p> <p style="padding-left: 40px;">(i) an IM: Valuation of Life Insurance Liabilities of the transferring party as at 31 December of the preceding assessment year; and</p> <p style="padding-left: 40px;">(ii) a non-IM: Valuation of Life Insurance Liabilities of the transferring party as at the transfer date in relation to the transferred business.</p>
General takaful: Existing IM	<p>(a) Total Net Takaful Revenue of the IM in the preceding assessment year; and</p> <p>(b) Total Net Takaful Revenue of the transferring party in the preceding assessment year.</p>

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General insurance: Existing IM	<p>(a) Total Net Insurance Revenue of the IM in the preceding assessment year; and</p> <p>(b) Total Net Insurance Revenue of the transferring party in the preceding assessment year.</p>
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14.2 For business transfer schemes which take effect between 1 January to 31 May of the assessment year, the transferee member will be subject to the following:

- (a) be required to submit the Levy Assessment Reporting Form within such period as notified in writing by PIDM to the transferee member;
- (b) in respect of the safety and soundness component, be classified based on BNM's supervisory rating of the transferee member; and
- (c) in respect of the RCC, be based on the resolvability related qualifying expenses of the transferee member and the transferring party¹² incurred during the period between 1 January to 31 December of the preceding assessment year, as applicable and not exceeding 30% of the gross levy amount.

14.3 For business transfer schemes which take effect between 1 June to 31 December of the assessment year, where the transferee member is an IM and transferring party is a non-IM, the transferee member will be subject to the following for purposes of payment of the additional annual levy in respect of the transferred business¹³:

- (a) be required to submit the Levy Assessment Reporting Form in respect of the business transferred from the non-IM, within such period as notified in writing by PIDM to the transferee member;
- (b) in respect of the safety and soundness component, be classified based on BNM's supervisory rating of the transferee member; and

¹² Where the transferring party is a non-IM, the resolvability related qualifying expenses will be in respect of the transferred business.

¹³ The transferee member would have paid annual levy for the assessment year and will be required to pay additional annual levy in respect of the business transferred from the non-IM pursuant to section 73A(2) of PIDM Act.



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(c) in respect of the RCC, be based on the resolvability related qualifying expenses of the non-IM in respect of the transferred business, incurred during the period between 1 January to 31 December of the preceding assessment year, as applicable and not exceeding 30% of the gross levy amount.

14.4 For business transfer schemes which take effect between 1 June to 31 December of the assessment year, where the transferee member and transferring party are both IMs, there are no further levy assessment requirements as both parties would have already paid annual levy for its existing business by 31 May of the assessment year.

14.5 Similar to new IMs, PIDM shall inform IMs under a business transfer scheme for amalgamation by way of written communication on the requirements for levy assessment, including details on submission of the Levy Assessment Reporting Form, remittance of levy and review process.

15.0 APPLICATION OF OTHER PROVISIONS

Paragraphs 6.4, 6.5, 8, 9 and 11 of the Guidelines in respect of accuracy of information, false statements, error in submission, overdue charges and prohibition against public disclosure shall also apply to the levy assessment of new IMs and IMs under a business transfer scheme for amalgamation.

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APPENDIX I: ILLUSTRATION ON LEVY PAYABLE

Illustration 1:

Calculation of levy payable by a general takaful IM for AY2026

Levy base = Total Net Takaful Revenue ¹⁴	2025 BNM's supervisory rating	Levy category	Levy rate	Resolvability related qualifying expenses
RM100,000,000	Moderate	2	0.2%	RM30,000

Gross Levy Amount = RM100,000,000 x 0.2%
= RM200,000 [A]

Deductible = RM30,000 or (RM200,000 x 30%), whichever is lower
= RM30,000 [B]

Levy Payable = [A] – [B]
= RM200,000 – RM30,000
= RM170,000 (subject to minimum levy amount)

The levy payable by the above IM for AY2026 is RM170,000.

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¹⁴ As discussed in Part B: Basis for Calculation of Levy.

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Illustration 2:

Calculation of levy payable by a life IM for AY2026

Levy Base = Valuation of Life Insurance Liabilities ¹⁵	2025 BNM's supervisory rating	Levy category	Levy rate	Resolvability related qualifying expenses
RM120,000,000	Moderate	2	0.05%	RM30,000

Gross Levy Amount = RM120,000,000 x 0.05%
= RM60,000 [A]

Deductible = RM30,000 or (RM60,000 x 30%), whichever is lower
= RM18,000 [B]

Levy Payable = [A] – [B]
= RM60,000 – RM18,000
= RM42,000 (subject to minimum levy amount)

The levy payable by the above IM for AY2026 is RM150,000, which is the minimum levy amount for levy category 2.

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¹⁵ As discussed in Part B: Basis for Calculation of Levy.

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APPENDIX II: ILLUSTRATION ON TRANSITIONAL ARRANGEMENT

Illustration 3:

Calculation of adjustment of MHIT liabilities for a life IM:

Valuation of life insurance liabilities in respect of MHIT		
As at 31 December 2024	As at 31 December 2025	As at 31 December 2026
RM2,000,000	RM10,000,000	RM12,000,000

(a) For computation of adjustment of MHIT liabilities for AY2026:

$$= \text{RM}10,000,000 - \text{RM}2,000,000$$

$$= \text{RM}8,000,000$$

As a result, the IM will report RM 8 million under the "Adjustment of MHIT Liabilities" in the Levy Assessment Reporting Form for AY2026.

(b) For computation of adjustment of MHIT liabilities for AY2027:

$$= \text{RM}12,000,000 - \text{RM}2,000,000$$

$$= \text{RM}10,000,000$$

As a result, the IM will report RM 10 million under the "Adjustment of MHIT Liabilities" in the Levy Assessment Reporting Form for AY2027.

-[End]-