



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

DO YOU HAVE AN ISLAMIC BANK ACCOUNT?

Find out if your account is protected by PIDM

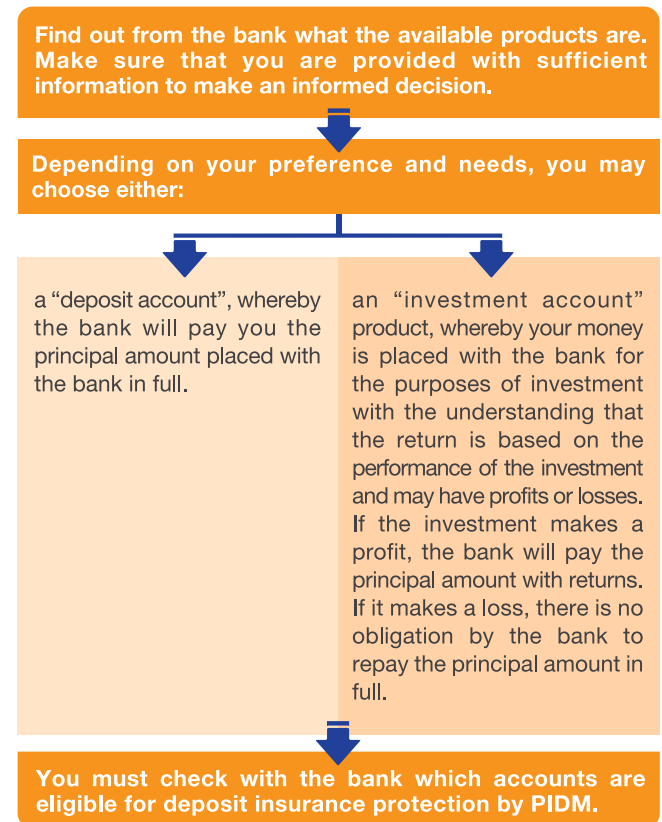
INTRODUCTION

The Islamic Financial Services Act (IFSA) 2013 was introduced by Bank Negara Malaysia on 30 June 2013 and sets out the regulatory framework for the Islamic financial sector with the objectives of promoting financial stability and compliance with Shariah. Under the IFSA, Islamic financial institutions have to ensure that their operations, businesses and activities are in full compliance with Shariah at all times.

How to choose your product?

IFSA has introduced two major classifications of products for the acceptance of money from customers by Islamic banking institutions, namely: Islamic deposits and investment accounts.

If you are about to open an Islamic account, you need to know the following:



What is the difference between Islamic deposit accounts and investment accounts?

Deposit Account	Investment Account/Product
An Islamic deposit is defined as a sum of money accepted or paid in accordance with Shariah, to be repaid in full, with or without any gains, returns or any other consideration in money or money's worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person accepting it.	An investment account is defined as an account under which money is paid and accepted for the purposes of investment, including for the provision of finance, in accordance with Shariah on terms that in the event of any losses, there is no express or implied obligation to repay the money in full and: <ul style="list-style-type: none"> • either only the profits, or both the profits or losses, shall be shared between the person paying the money and the person accepting the money; or • with or without any returns.
Accounts that apply the Shariah contracts of Wadiah, Qard, and Murabahah or other Shariah contracts with principal guaranteed features.	Islamic products that apply the Shariah contracts of Mudarabah, Musharakah or Wakalah.
Principal guaranteed (Guaranteed to repay the principal amount placed with the bank in full).	Non-principal guaranteed (No obligation to repay the principal amount placed with the bank in full).
Eligible for protection by PIDM.	Not eligible for protection by PIDM.

What accounts are protected and not protected by PIDM under IFSA?

PIDM is the Government authority that provides protection for bank deposits under the Deposit Insurance System. Bank depositors, whether individuals or businesses, are protected against the loss of their eligible bank deposits up to RM250,000 in the unlikely event a member bank becomes bankrupt.

Please take note of the following:

- PIDM provides protection for all eligible "Islamic deposits".
- PIDM does not protect accounts classified as "investment accounts".

Who can I contact for further information about PIDM protection?

- Call PIDM's toll-free information line: **1-800-88-1266**, available Mondays to Fridays from 8.30 am to 5.30 pm
- Email to info@pidm.gov.my
- Visit PIDM's website at www.pidm.gov.my



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