



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

**POLICY AND PROCEDURES ON PUBLIC DISCLOSURE OF
INFORMATION**



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Ref No	BOD/COSEC/2009/01	Version No	4.0
Initial Approved Date	23 June 2009	Last Reviewed Date	24 June 2021
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Approved by the Board of Directors at the Board Meeting No. 76 on 24 June 2021.



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1.0 BACKGROUND

Underlying principles

The Corporation's Communications Policy sets out its objectives, i.e., among others, to:

- (a) create an awareness and understanding of the Corporation's mandate by disseminating accurate, timely and relevant information in response to stakeholders' and the public's needs to assist them in making informed decisions about their savings and investments; and
- (b) promote transparency and accountability by providing information and being accessible to the public and stakeholders to gain their trust and support.

This is in line with the Corporation's mandate, which includes the object of contributing to, or promoting, the stability of the financial system.

The Corporation's view is that awareness and understanding of the Corporation's mandate and how it carries out its work, and transparency and accountability, are important to promote public confidence in the Corporation and its abilities. This will contribute to the stability of the financial system.

Prohibitions in law

At the same time, section 24 of the Malaysia Deposit Insurance Corporation Act 2011 ("PIDM Act") prohibits any director, employee or agent of the Corporation from disclosing information about the Corporation's business and affairs, Bank Negara Malaysia's business and affairs, and a member institution's or its customer's information that he has acquired in the performance of his duties or in the exercise of his functions, unless the disclosure is required in the course of the performance of his duties or exercise of his functions, or is required by any law or court of law. Information that is already publicly available is not subject to this prohibition.

Section 24 aims generally to ensure confidentiality of all information obtained in the course of the Corporation's business and affairs with the sub-set objectives of:

- (a) providing privacy protection in regard to customers of banks; and
- (b) protecting member institution information.

The key exclusion from the requirement to maintain confidentiality is where disclosure is required "... in the course of performance of his duties or exercise of his functions ...".



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2.0 OBJECTIVE

The objective of this Policy is to clarify the Corporation's view on what public disclosures of information may be made in the course of performance of an officer's or Director's duties or the exercise of his functions under the PIDM Act.

The Policy articulates the general policy for disclosures in the following key areas and a summary of the general position is set out in the Schedule:

- (a) Information in the Annual Report;
- (b) Information other than in the Annual Report — General information about the Corporation;
- (c) Information on Member Institutions;
- (d) Information on Depositors, Insurance Policy Owners or Takaful Certificate Owners;
- (e) Financial Information other than in the Annual Report;
- (f) Information relating to Intervention and Resolution Activities;
- (g) Other Prohibitions.

This document also contains procedures to ensure that the public disclosures that are made are appropriate in the prevailing operating environment or in the context in which the disclosure is being made. To ensure the disclosures are appropriate, some degree of flexibility is needed within these procedures. For example, for certain types of public disclosures of financial information (other than in the Annual Report¹), the procedure is that the Chief Executive Officer ("CEO") must first determine whether a public disclosure is appropriate and gives his approval.

Note: Other Prohibitions

Notwithstanding that there are processes that may allow disclosures in the Sections below, note that Section 9 of this document also sets out the clear prohibitions against public disclosures under the circumstances described.

¹ See Section 6, below



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3.0 INFORMATION IN THE ANNUAL REPORT

The key information that is available to the public about the Corporation's financial performance, and its business and affairs, will be found in the Corporation's Annual Reports.

General Policy

In developing its Annual Report, the Corporation subscribes to best practices in corporate governance and financial reporting standards. This is in line with the principle of promoting transparency and accountability.

The Corporation endeavours to achieve best practices in disclosures by benchmarking itself against best practices in the public sector, as well as, where applicable, in the private sector. In terms of financial reporting, the Corporation applies and complies with relevant Financial Reporting Standards and generally accepted accounting principles.

Such information can be publicly disclosed.

Process

The draft Annual Report including the Financial Review, Governance Disclosures and Financial Statements, is subject to the review and approval of the Board, after the review and recommendation of the Audit Committee ("AC") and the Governance Committee ("GC") in respect of disclosures on governance.² Senior Management is also required to validate and sign-off on the accuracy of information in areas for which they are respectively responsible before the Annual Report is sent for publication.

Position in law and rationale

In the context of the PIDM Act, the Corporation is clearly required to submit an Annual Report to the Minister of Finance, who is required to have it laid before Parliament.³ Accordingly, it is clear that disclosures of information that are commonly found in annual reports may be disclosed.

These would include reports on performance against the Corporate Plan and the financial statements, disclosures regarding the governance of the Corporation, as well as reports on the Corporation's operating environment, which would also include information, on an

² Management's roles and responsibilities, the AC's oversight role with regard to the disclosures of the financial statements, the role of the GC, as well as the role of the Board in this regard, are clearly set out in the Board Governance Policy, the AC and GC Charters. There are also procedures for review of the integrity of the financial statements and to ensure that Management takes responsibility for the financial statements. The disclosure of the Corporation's financial information and annual reporting on the Corporation's governance and work is therefore already subject to well-defined procedures.

³ Section 34 of the PIDM Act.



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aggregate basis, of matters such as total deposits insured by the Corporation, and opinions on the general state of health of member institutions and the financial system.

Note

Public disclosures of financial information extracted or derived from the Corporation's Annual Report by the Corporation should nevertheless be subject to certain procedures, and are addressed in Section 7 below. Note also Section 9.

4.0 INFORMATION OTHER THAN IN THE ANNUAL REPORT — GENERAL INFORMATION ABOUT THE CORPORATION

Disclosures to the public of general information about the Corporation, its business and affairs (other than as disclosed in the Annual Report) may be made through the following channels:

- (a) the Corporation's website, social media accounts and brochures about the Corporation and deposit insurance and takaful and insurance benefits protection system;
- (b) press releases, and interviews with the press;
- (c) public consultation papers;
- (d) local or international seminars, webinars or conferences (including the International Association of Deposit Insurers (IADI) and International Forum of Insurance Guarantee Schemes (IFIGS) conferences);
- (e) publications, public engagements or public awareness events and briefings to promote the Corporation and the Corporation's work; and
- (f) the Corporation's call centre.

The Communications Policy articulates the principles that apply in making communications. These principles also apply for the purpose of determining what should appropriately be publicly disclosed.

Examples

Examples include information about the Corporation's organisational structure, its key policies, systems, practices and procedures that show that the Corporation adopts best practices in governance and management. This information is readily identifiable. Where there is any doubt as to whether information can be properly disclosed on the Corporation's website or social media accounts, reference should be made to the disclosure rules in the relevant area described in this Policy.



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General Policy

The principles are “... to create awareness and understanding of the Corporation’s mandate by disseminating accurate, timely and relevant information ...” and “... promote transparency and accountability by providing information and being accessible to the public and stakeholders to gain their trust and support...”

If, therefore, the information to be disclosed to the public is general information, intended to generate greater awareness of, and public trust in, the Corporation and its work, the Corporation takes the view that such information may be publicly disclosed.

Process

Where the information is defined under the Information Classification, Handling and Labelling Policy as “Public”⁴ by the Record Owner,⁵ the same may be publicly disclosed. Subject to Section 9, in respect of all other types of information, the CEO’s prior approval is necessary for its public disclosure.⁶

Note Section 9.

Position in law and rationale

The Corporation’s mandate is to promote or contribute to the stability of the financial system. To do so, the Corporation must necessarily promote public confidence in the Corporation and how it runs its business and affairs. Accordingly, the Corporation is of the view that the public disclosure of general information about the Corporation and its business and affairs is acceptable as required for the performance of the duties and in exercise of the functions under the PIDM Act.

5.0 INFORMATION ABOUT MEMBER INSTITUTIONS⁷

Examples

These include information about member institutions or a specific member institution that is not otherwise publicly available and obtained by the Corporation in the course of its performance of its functions, for example:

- financial ratios including non-performing loans, or risk weighted capital ratios;

⁴ “Public” information refers to information the disclosure of which “...does not expose the Corporation to financial or reputational or other loss.”

⁵ “Record Owner” means the CEO or anyone authorised by the CEO.

⁶ An example of this would include proprietary information, including the intellectual property rights with commercial value to the Corporation or which could be licensed or sold by the Corporation to third parties for a fee.

⁷ This will be read as including other prescribed corporations under the stabilisation coverage.



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- other risk indicators including exposures of the member institution to any particular industry;
- whether corrective or other regulatory actions have been taken against the member institution;
- regulatory ratings of member institutions;
- differential premium system (“DPS”) or differential levy system (“DLS”) category of a member institution or the number of institutions falling within each category;
- classification of member institutions as being on a “watchlist” or “special mention” or any other classification indicating financial safety or soundness;
- information obtained in the course of or related to resolution planning activities such as a member institution’s structure, critical functions, operations, resolution strategy or plan and resolvability assessment;
- information obtained in the course of intervention and resolution activities.⁸

General Policy

- (a) Information that reveals or implies a certain state of financial condition about a member institution (whether favourable or not) or from which such inference can be made will not be publicly disclosed.
- (b) Information that reflects adversely on the financial condition of member institutions or any category or group of member institutions as a whole will not be publicly disclosed.
- (c) Information that could be inferred or deduced to relate to any member institution or category or group of member institutions specifically will not generally be publicly disclosed.
- (d) Information relating to any member institution or institutions that, aggregated with other available information, may become sensitive in a particular context, will not generally be publicly disclosed.
- (e) The numbers or percentages of member institutions falling in any of the DPS or DLS categories will not be publicly disclosed.
- (f) Subject to paragraphs (c) and (d), general aggregate information relating to member institutions as a whole and not in relation to any member institution specifically, may be publicly disclosed.
- (g) Any public disclosure of information relating to a member institution or member institutions is subject to the process below.

⁸ On which, see Section 8.



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Process

The CEO's approval is necessary for the public disclosure of any information that relates to member institutions. These include information derived or extracted from the Corporation's financial statements - see Section 7 below.

Note Section 9.

Position in law and rationale

The Corporation's mandate is to promote or contribute to the stability of the financial system. To do so, the Corporation must necessarily promote public confidence in the Corporation and how it runs its business and affairs.

Accordingly, information about member institutions (in aggregate or individually) that may adversely impact or affect the stability of the financial institution or of the financial system, will not be publicly disclosed. This would not be in line with the Corporation's mandate.

Public disclosures with the intention of showing the operating environment of the Corporation, on an aggregate basis, about member institutions or the industry as a whole, would be permissible.

The Corporation will nevertheless not make public disclosures relating to any specific member institution, even if it is favourable information, so as to maintain a level playing field.

6.0 INFORMATION ABOUT DEPOSITORS, INSURANCE POLICY OWNERS OR TAKAFUL CERTIFICATE OWNERS

Examples

The following are examples of the types of information about depositors, insurance policy owners or takaful certificate owners that are not otherwise publicly available and obtained by the Corporation in the course of performance of its functions:

- (a) total depositor liabilities; and
- (b) information about customers of a member institution in the course of any actions including stress testing of systems, examinations, due diligence, resolution planning or intervention and resolution activities.

General Policy

No disclosure, whether to the public or to a third party, may be made that reveals the name of any customer of a member institution or particulars relating to that customer.



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Information that relates to the total base of depositors, insurance policy owners or takaful certificate owners within the industry in general (without any details with regard to any customer of a member institution) may be published, subject to the CEO's approval.

Position in law and rationale

Information relating to the affairs or account of customers of any financial institution is subject to the secrecy provision in section 133 of the Financial Services Act 2013, section 145 of the Islamic Financial Services Act 2013 and section 24 of the PIDM Act. Hence, information that reveals any customer or any particulars specific to any customer of a member institution may not be disclosed, whether to the public or to a third party.

7.0 INFORMATION OTHER THAN ANNUAL REPORT — FINANCIAL INFORMATION DERIVED OR EXTRACTED FROM THE CORPORATION'S FINANCIAL STATEMENTS

Examples

Such information may include financial information about:

- (a) assets;
- (b) total deposit insurance funds (conventional and Islamic) and takaful and insurance benefits protection funds;
- (c) total insured deposits, actuarial valuation liabilities, total net contributions or net premiums;
- (d) total premium and levy revenue received from member institutions;
- (e) investment revenue;
- (f) operating expenses;
- (g) selected indicators in the banking business (Islamic and conventional) and the takaful and insurance business including growth figures, financial ratios, non-performing ratios and return on average assets (on an aggregate basis); and
- (h) total customer deposits growth.

General Policy

The Corporation leans in favour of transparency and accountability and aims to disclose such information as is necessary to instill public confidence and to achieve best practices in corporate reporting. Disclosure of information derived from, and extracted from, financial statements in the Annual Report will be made insofar as it is in line with achieving this objective of being transparent and accountable, provided that such information is not presented in a manner that may be detrimental to the Corporation's ability to achieve its mandate in an efficient and effective manner.



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Public disclosures of information relating to member institutions or depositors, insurance policy owners or takaful certificate owners are subject to Sections 5 and 6 above.

Process

The CEO's approval is necessary for the public disclosure of any information derived or extracted from the Corporation's financial statements.

Position in law and rationale

- (a) In relation to extracts of the financial information, there is no prohibition in the PIDM Act against disclosures of information that is already public information. However, the process is recommended to ensure that the information is not publicly disclosed or published out of context.
- (b) In relation to information derived from the financial information published in the Annual Report, this information could have an impact on the Corporation, financial system stability, depositors, insurance policy owners, takaful certificate owners or member institutions. As such the rationale for Sections 5 and 6 above apply.

8.0 INTERVENTION AND RESOLUTION

Examples

The following are examples of the types of information that relate to pending or potential intervention and resolution activities:

- the fact of a due diligence or other measures taken in relation to a troubled or potentially troubled member institution;
- a Board decision to intervene and resolve a member institution;
- the Corporation's intention to intervene and resolve a member institution;
- the issuance of a non-viability notification under the PIDM Act;
- information relating to actual intervention and resolution activities, including assumption of control.

General Policy

Information that could adversely impact public confidence or that could potentially affect the financial system stability or have an adverse financial impact to the Corporation or the financial system shall not be publicly disclosed.



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Process

The Crisis Communications Manual and other manuals, policies and guidelines in relation to intervention and resolution will apply to address public disclosures and set out the authorities that may allow disclosures during an intervention and resolution, or during the implementation of preparatory actions in relation to an intervention and resolution. Any public disclosures not specifically addressed in the manuals and other documentation should be subject to CEO's approval.

Note Section 9.

9.0 OTHER PROHIBITIONS

The Corporation will not under any circumstances disclose the following information to any third party without the need-to-know, including the public where:

- (a) restricted information originated from a third party, unless the third party consents to the disclosure;⁹
- (b) the information is classified as "Secret" in the Information Classification, Handling and Labelling Policy;
- (c) the disclosure relates to proprietary information owned by a third party, unless the third party consents to the disclosure;
- (d) the disclosure of the information would be in breach of an agreement or undertaking by the Corporation to maintain the confidentiality of the information, unless the source consents to the disclosure;
- (e) the disclosure would jeopardise the outcome of an ongoing negotiation, settlement or litigation;
- (f) the disclosure of information would subject the Corporation to undue litigation or financial risk;
- (g) the information relates to the personal, financial or medical information of employees or Directors of the Corporation;

⁹ For example, information received from Bank Negara Malaysia or the Minister of Finance.



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- (h) the disclosure relates to the proceedings, minutes or deliberations of the Corporation's Board, Board Committees, working group committees or task force;¹⁰ and
- (i) the disclosure relates to internal documents prepared by the Corporation's employees.¹¹

10.0 OTHER MATTERS

Verification of information prior to public disclosure

Where the CEO has given his approval to disclose information publicly, the Record Owner or Record Custodian¹² of the relevant information as defined under the Information Classification, Handling and Labelling Policy is required to verify the information prior to public disclosure.

Review of Policy

This Policy will be reviewed regularly to ensure it is current and adequate.

Cross-references

Communications Policy
Information Classification, Handling and Labelling Policy
Code of Business Conduct and Ethics for Employees
Crisis Communications Policy

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¹⁰ This is to facilitate and safeguard the frank and open exchange of ideas between Directors, Management and employees of the Corporation.

¹¹ This is to encourage frankness of dialogue and free flow of ideas internally.

¹² "Record Custodian" means the relevant Head of Division, department or unit, or Chair of a committee, taskforce, working committee, whichever the case may be.



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Schedule

No.	Type of Information	Is Public Disclosure Permitted	Relevant Section in the Policy
1	Information in the Annual Report	Yes. However, the CEO's approval is required for the public disclosure of financial information extracted or derived from the Corporation's Annual Report.	Section 3
2	General Information About the Corporation – Other Than in the Annual Report	Yes, if the information is classified as "Public" under the Information Classification, Handling and Labelling Policy. Otherwise the CEO's approval is required.	Section 4
3	Information About Member Institutions	The CEO's approval is required.	Section 5
4	Information About Depositors, Insurance Policy Owners or Takaful Certificate Owners	No. However, information that relates to the total base of depositors, insurance policy owners or takaful certificate owners within the industry in general (without any details with regard to any customer of a member institution) may be published, subject to the CEO's approval.	Section 6
5	Financial Information Derived or Extracted from the Corporation's Financial Statements	The CEO's approval is required.	Section 7
6	Information About Intervention and Resolution Activities	The Crisis Communications Manual and other manuals, policies and guidelines in relation to intervention and resolution will apply to address public disclosures and set out the authorities that may allow disclosures during an intervention and resolution, or during the implementation of preparatory actions in relation to an intervention	Section 8



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No.	Type of Information	Is Public Disclosure Permitted	Relevant Section in the Policy
		and resolution. Any public disclosures not specifically addressed in the manuals and other documentation requires the CEO's approval.	
7	Other Information		Section 9
(a)	Restricted information originating from a third party	No, unless the third party consents to the disclosure.	
(b)	Information classified as "Secret" under the Information Classification, Handling and Labelling Policy	No.	
(c)	Proprietary information owned by a third party	No, unless the third party consents to the disclosure.	
(d)	Information which the Corporation has agreed or undertaken to maintain its confidentiality	No, unless the source consents to the disclosure.	
(e)	Information which if disclosed, would jeopardise the outcome of an ongoing negotiation, settlement or litigation	No.	
(f)	Information which if disclosed, would subject the Corporation to undue litigation or financial risk	No.	
(g)	Information relating to the personal, financial or medical condition of the Corporation's employees or Directors	No.	
(h)	Information relating to the proceedings, minutes or deliberations of the Corporation's Board, Board Committees, working group committees or task force	No.	



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No.	Type of Information	Is Public Disclosure Permitted	Relevant Section in the Policy
(i)	Information relating to internal documents prepared by the Corporation's employees	No.	

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