



**Perbadanan Insurans Deposit Malaysia**  
**Protecting Your Insurance And Deposits In Malaysia**

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**GUIDELINES ON  
TOTAL INSURED DEPOSITS, PREMIUMS AND  
VALIDATION PROGRAMME**

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**ISSUE DATE : 12 DECEMBER 2024**

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## TABLE OF CONTENTS

<b>SECTION 1: INTRODUCTION .....</b>	<b>1</b>
<b>SECTION 2: DEPOSIT INSURANCE COVERAGE .....</b>	<b>3</b>
<b>SECTION 3: TOTAL INSURED DEPOSITS: CALCULATION AND COMPLETION OF RETURNS... 7</b>	
<b>PART A(I) : INSURABLE DEPOSITS .....</b>	<b>8</b>
<b>PART A(II) : OTHER INSURABLE DEPOSITS .....</b>	<b>8</b>
<b>PART B: UNINSURABLE PORTION OF INSURABLE DEPOSITS.....</b>	<b>8</b>
<b>PART C: TOTAL INSURABLE DEPOSITS.....</b>	<b>10</b>
<b>PART D: AGGREGATED INSURABLE DEPOSIT BALANCES EXCEEDING RM250,000 .....</b>	<b>10</b>
<b>SECTION 4: CALCULATION OF ANNUAL PREMIUM.....</b>	<b>14</b>
<b>SECTION 5: SUBMISSION OF RETURN ON TOTAL INSURED DEPOSITS AND PAYMENT OF PREMIUM.....</b>	<b>16</b>
<b>SUBMISSION OF CERTIFIED RTID .....</b>	<b>16</b>
<b>REMITTANCE OF ANNUAL PREMIUM .....</b>	<b>16</b>
<b>PREMIUM PAYMENT FOR NEW DTMS.....</b>	<b>17</b>
<b>REMITTANCE OF FIRST PREMIUM.....</b>	<b>18</b>
<b>PREMIUM PAYMENT FOR DTMS (INCLUDING NEW DTM) UNDER A BUSINESS TRANSFER SCHEME FOR AMALGAMATION .....</b>	<b>19</b>
<b>OVERDUE CHARGES AND PREMIUM SURCHARGE FOR NON-COMPLIANCE .....</b>	<b>22</b>
<b>SECTION 6: VALIDATION PROGRAMME ON RETURN ON TOTAL INSURED DEPOSITS (“RTID”).....</b>	<b>23</b>
<b>SECTION 7: EXTERNAL AUDITOR’S VALIDATION BASED ON LIMITED ASSURANCE ENGAGEMENT .....</b>	<b>26</b>
<b>APPENDIX I : SCOPE OF COVERAGE .....</b>	<b>31</b>
<b>APPENDIX II : INTERPRETATION OF ITEMS IN THE RETURN ON TOTAL INSURED DEPOSITS</b>	<b>34</b>
<b>APPENDIX III : ADJUSTMENTS FOR PAYMENT INSTRUCTIONS .....</b>	<b>37</b>
<b>APPENDIX IV : EXAMPLE OF THE CALCULATION OF THE AGGREGATED INSURABLE DEPOSIT BALANCES EXCEEDING RM250,000 .....</b>	<b>40</b>
<b>APPENDIX V : ILLUSTRATIONS OF ERRORS UNDER RTID.....</b>	<b>41</b>

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

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## SECTION 1: INTRODUCTION

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- 1.1 Perbadanan Insurans Deposit Malaysia (“PIDM”), an independent statutory body having authority under the Malaysia Deposit Insurance Corporation Act 2011 (“PIDM Act”), manages and administers the Malaysian deposit insurance system. One of PIDM’s functions is to assess and collect premiums from deposit-taking members (“DTMs”) on an annual basis. The annual premium is calculated based on the amount of total insured deposits (“TID”) held by a DTM and the prescribed premium rate applicable to the DTM.
- 1.2 The Guidelines on Total Insured Deposits, Premiums and Validation Programme (“the Guidelines”) set out the requirements for DTMs in determining the TID for premium purposes, submitting the Return on Total Insured Deposits (“RTID”), calculating and remitting of premium to PIDM, as well as the requirements in respect of the independent validation to be performed by a DTM’s external auditor (“Validation Programme”), if required, on the total insured deposits and premium payable.
- 1.3 The Guidelines shall supersede the following:
- (a) Guidelines on Total Insured Deposits and Premiums issued on 30 January 2023; and
  - (b) Guidelines on Validation Programme: Differential Premium Systems and Total Insured Deposits issued on 10 February 2021.
- 1.4 The Guidelines will apply to all DTMs effective from the assessment year 2025.
- 1.5 The Guidelines shall be read together with other relevant legal instruments within the purview of PIDM, in particular:
- (a) Malaysia Deposit Insurance Corporation (Differential Premium Systems in respect of Deposit-Taking Members) Regulations 2023;
  - (b) Malaysia Deposit Insurance Corporation (Rates for First Premium and Annual Premium in Respect of Deposit-Taking Members) Order 2023;
  - (c) Malaysia Deposit Insurance Corporation (Basis for Calculation of First Premium and Annual Premium in respect of Deposit-Taking Members) Order 2023; and
  - (d) Guidelines on the Differential Premium Systems (DPS) Framework for Deposit-Taking Members.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

- 1.6 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 portal. The original hard copy shall be kept by the DTMs.
- 1.7 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.
- 1.8 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.
- 1.9 Enquiries relating to the Guidelines may be directed to:

General Lines: 03 – 2173 7436/03 – 2265 6565  
E-mail: [industryportalinfo@pidm.gov.my](mailto:industryportalinfo@pidm.gov.my)

[End of Section 1]

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

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## SECTION 2: DEPOSIT INSURANCE COVERAGE

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- 2.1 PIDM Act provides that deposits which are eligible for protection include<sup>1</sup>:
- (a) Islamic and conventional deposits placed with a DTM such as savings, demand and fixed deposits;
  - (b) Bank drafts, cheques or other similar instruments or instructions issued against an insured deposit; and
  - (c) Foreign currency deposits placed with a DTM.
- 2.2 PIDM may specify any other financial instruments as being eligible for deposit insurance.
- 2.3 PIDM Act excludes the following deposit products from the deposit insurance system:
- (a) Deposits that are not payable in Malaysia;
  - (b) Money market deposits;
  - (c) Negotiable instruments of deposits and other bearer deposits;
  - (d) Repurchase agreements;
  - (e) Monies received in the course of carrying out Labuan banking business conducted under the Labuan Financial Services and Securities Act 2010 or Labuan Islamic banking business conducted under the Labuan Islamic Financial Services and Securities Act 2010;
  - (f) Investment linked to derivatives<sup>2</sup>; and
  - (g) Any other liability or financial instruments as may be specified by PIDM.
- 2.4 The deposit insurance limit has been set at RM250,000 inclusive of principal and interest/return and will be applied in aggregate per depositor per DTM.
- 2.5 Where a depositor has more than one (1) deposit account which are eligible for deposit insurance with a DTM,<sup>3</sup> the aggregate of those deposits shall be insured up to RM250,000.

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<sup>1</sup> Subject to the Guidelines on Deposit Insurance Coverage for Deposits.

<sup>2</sup> Any investment linked to derivatives that were previously specified as insured by PIDM before the date of coming into operation of section 11 of the Malaysia Deposit Insurance Corporation (Amendment) Act 2022 i.e. 22 February 2022, will continue to be insured by PIDM until they reach maturity, are fully withdrawn or are otherwise terminated, whichever is earlier.

<sup>3</sup> Subject to the separate protection limits set out in paragraph 2.9 below.



<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

- 2.6 All deposit accounts held by the same depositor in different branches of the same DTM shall be added together and insured up to RM250,000.
- 2.7 Ringgit Malaysia (“RM”) deposits and foreign currency deposits held by a depositor with a DTM shall be aggregated and insured up to RM250,000.
- 2.8 For DTMs which carry on Islamic banking business in addition to its conventional banking business, the Islamic and conventional accounts are separately protected up to RM250,000.

#### **SEPARATE PROTECTION LIMIT**

- 2.9 Separate protection limits shall apply to the following categories of accounts:
  - (a) Individual accounts;
  - (b) Joint accounts;
  - (c) Trust accounts; and
  - (d) Accounts of sole proprietorships, partnerships and professional practices.

#### **JOINT ACCOUNTS**

- 2.10 Deposits held jointly by a depositor with another person(s) are protected separately from the other types of deposit accounts provided that:
  - (a) the deposit account is opened as a joint account;
  - (b) the deposit is held in an insurable deposit account; and
  - (c) sufficient details of the joint owners are disclosed in the records of the DTM.
- 2.11 Joint accounts held with different joint owners shall enjoy separate protection limit. However, if a depositor has several joint accounts with the same joint owners, these deposits shall be aggregated and insured up to RM250,000.

#### **TRUST ACCOUNTS**

- 2.12 Deposits in trust accounts (including client deposit accounts held by professional practices) are insured separately from other types of deposits provided that:
  - (a) the deposit account is opened as a trust account;
  - (b) the deposit is held in an insurable deposit account; and



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

- (c) sufficient details in respect of the trust account<sup>4</sup> are disclosed in the records of the DTM.
- 2.13 For purposes of deposit insurance coverage, trust accounts held by one (1) trustee for different beneficiaries and trust accounts held by different trustees for the same beneficiary shall enjoy separate protection limit. Deposit accounts held by the same trustee for the same beneficiary shall be aggregated and deemed as one (1) deposit.
- 2.14 However, for purposes of determining the aggregated insurable deposit balance exceeding RM250,000 under Section 3 of the Guidelines, the DTM is required to exclude the aggregated insurable deposit balances exceeding RM250,000 for each trust account separately regardless whether there are two (2) or more deposit accounts held by the same trustee for the same beneficiary. This applies for both individual and non-individual trust accounts.
- 2.15 A trustee should, on opening of a trust account, provide the required information to a DTM as specified under the Malaysia Deposit Insurance Corporation (Disclosure Requirements for Trust Accounts and Joint Accounts) Regulations 2012<sup>5</sup>.
- 2.16 PIDM will not separately insure the deposits held in trust for any beneficiary if, in its opinion, the trust exist primarily for the purpose of obtaining or increasing the amount of deposits insured.

#### **SOLE PROPRIETORSHIPS, PARTNERSHIPS OR PROFESSIONAL PRACTICE**

- 2.17 For a depositor who operates a business as a sole proprietor or a partner of a partnership or carries on any professional practice, the deposits of such business or professional practice shall be separately protected from the deposits of the depositor as an individual or as a trustee or as a joint owner, provided that the deposit account is opened in the name of the sole proprietor business of the partnership and is disclosed on the records of the DTM.
- 2.18 In the case of partnerships or professional practices, the maximum protection for such entities is RM250,000 collectively and not RM250,000 per partner.

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<sup>4</sup> Pursuant to the requirements under the PIDM Disclosure Requirements For Trust Accounts and Joint Accounts Regulations 2012, on the opening of trust accounts, trustee is required to disclose the relevant details of the trustee himself as well as the details of the beneficiary. For purposes of e-money scheme, the trustee is required to provide, among others, supporting details to evidence that the trustee is an approved e-money issuer under the Financial Services Act 2013 or Islamic Financial Services Act 2013.

<sup>5</sup> As amended by Malaysia Deposit Insurance Corporation (Disclosure Requirements For Trust Accounts and Joint Accounts) (Amendment) Regulations 2022.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

The illustrations on the scope of coverage for deposit insurance purposes in respect of different types of deposit accounts are provided in **Appendix I** of the Guidelines.

[End of Section 2]



### SECTION 3: TOTAL INSURED DEPOSITS: CALCULATION AND COMPLETION OF RETURNS

- 3.1 The total insured deposits is the basis for determining the amount of annual premium payable by a DTM in each assessment year.
- 3.2 The total insured deposits is calculated as follows:

**Table 1: Formula for total insured deposits**

Total insured deposits	=	Total insurable* deposits	-	Aggregated insurable deposit balance exceeding RM250,000
*Total insurable deposits = Insurable Deposits – Uninsurable Portion of Insurable Deposits				

- 3.3 The total insured deposits for Islamic and conventional deposits shall be calculated and reported separately, in the RTID. DTMs are required to use the pre-formatted RTID templates provided by PIDM for reporting of the total insured deposits.
- 3.4 The RM and foreign currency (in RM equivalent) deposits shall be disclosed separately in the RTID.
- 3.5 The information provided in the RTID shall be based on a DTM’s deposit information as at **31 December** of the preceding assessment year.
- 3.6 The RTID is divided into four (4) parts and the reporting requirements for each of the parts are elaborated below.

#### PART A: INSURABLE DEPOSITS

- 3.7 The insurable deposit to be reported for the purpose of the RTID is derived from the summation of the following:
  - (a) the specific items extracted from a DTM’s statistical reporting on the ‘Statement of Financial Position’ (Domestic) to Bank Negara Malaysia; and
  - (b) any other deposits which are eligible for deposit insurance coverage of PIDM but were not included as part of the reporting under the ‘deposits accepted’ in the ‘Statement of Financial Position’ (Domestic).



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

- 3.8 A DTM is required to ensure that all deposit products that PIDM has certified as “insured deposits” are included in Part A of the RTID.

#### **PART A(I) : INSURABLE DEPOSITS**

- 3.9 For Part A(I) of the RTID, a DTM is required to report the items set out in the RTID based on the specific items extracted from the DTM’s statistical reporting on the ‘Statement of Financial Position’ (Domestic) to Bank Negara Malaysia. The items to be reported in the RTID and the interpretation of the items are provided in **Appendix II**.
- 3.10 DTMs are required to ensure that the amounts for each of the items reported in Part A(I) of the RTID match the amounts in the ‘Statement of Financial Position’ (Domestic).
- 3.11 Deposits provided by customers as a security or collateral for Islamic or conventional financing facilities shall form part of a DTM’s reported items in Part A(I) of the RTID if such deposits are treated as ‘deposits accepted’ in the ‘Statement of Financial Position’ (Domestic).

#### **PART A(II) : OTHER INSURABLE DEPOSITS**

- 3.12 Under Part A(II), DTMs are required to report any other deposits which are eligible for deposit insurance coverage of PIDM but were not included as part of the reporting under the ‘deposits accepted’ in the ‘Statement of Financial Position’ (Domestic).
- 3.13 Unclaimed moneys that have yet to be lodged with the Registrar of Unclaimed Moneys shall form part of a DTM’s reporting in Part A(I) of the RTID. If the unclaimed moneys do not form part of the reporting under ‘deposits accepted’ within the ‘Statement of Financial Position’ (Domestic), DTMs shall report the unclaimed moneys in Part A(II).

#### **PART B: UNINSURABLE PORTION OF INSURABLE DEPOSITS**

- 3.14 For the purpose of reporting of “Uninsurable Portion of Insurable Deposits” in the RTID, this refers to:
- (a) deposits which are excluded from deposit insurance coverage under the PIDM Act<sup>6</sup> such as deposits for the purpose of placement in interbank money market, investment linked to derivatives, etc;

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<sup>6</sup> Paragraph 41(1)(a) of the PIDM Act expressly excludes certain products from the definition of deposit for purposes of deposit insurance.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

- (b) deposits certified by PIDM as “uninsured deposits” and “excluded deposits”;
- (c) deposits that do not meet PIDM’s insurability criteria, such as interest or profit payable that are not related to insurable deposits as specified in paragraph 3.20; and
- (d) Outward clearing items as specified in paragraph 3.21 and bills payable as specified in paragraph 3.22.

3.15 The “Uninsurable Portion of Insurable Deposits”, if included in Part A, are to be excluded for the purpose of calculating the total insurable deposits by reporting such items under Part B of the RTID.

3.16 In particular, the items that are required to be reported under the ‘Uninsurable portion of Insurable Deposits’ of Part B of the RTID are specified below.

#### **Deposits for the purpose of Placement in the Interbank Money Market**

3.17 If any of the deposit accounts were opened or maintained expressly for the purpose of placement in the Interbank Money Market (including Islamic Interbank Money Market), such deposits would not qualify as insurable deposits. A DTM is required to report such deposit accounts under the respective deposit types in Part B of the RTID.

#### **Other Uninsured or Excluded Deposits**

3.18 Deposit accounts that do not meet PIDM’s insurability criteria and deposits that are excluded from PIDM’s deposit insurance coverage under the PIDM Act<sup>7</sup>, such as gold investment accounts or investments linked to derivatives, are not insured by PIDM. If such items were included as part of the reporting in Part A of the RTID, a DTM is required to report such items under the respective deposit types in Part B of the RTID.

3.19 However, any investment linked to derivatives that were previously specified as insured deposit by PIDM before the date of coming into operation of section 11 of the Malaysia Deposit Insurance Corporation (Amendment) Act 2022 will continue to be insured by PIDM until they reach maturity, are fully withdrawn or are otherwise terminated, whichever is earlier. As such, a DTM is required to report such items under Part A of the RTID (Insurable Deposit).

#### **Interest/Profit Payable**

3.20 The interest or profit payable reported in Part A(I) of the RTID has to be adjusted to exclude portions of the interest or profit payable that are not related to insurable deposits. DTMs are required to report the interest or profit payable that are not

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<sup>7</sup> Paragraph 41(1)(a) of the PIDM Act expressly excludes certain products from the definition of deposit for purposes of deposit insurance.

related to insurable deposits, under item ‘Interest Payable’ for conventional business or ‘Profit Payable’ for Islamic business in Part B of the RTID.

**Outward Clearing Items**

3.21 For the purpose of reporting in the RTID, bank drafts or cheques deposited into the deposit accounts will not be considered as part of insurable deposits if these items have not been cleared<sup>8</sup> by 31 December of the preceding assessment year. Thus, if a DTM has already credited such amount into the respective depositors’ accounts, reversal of such amount has to be made. A DTM is required to report the outward clearing items in Part B of the RTID. Please refer to **Appendix III** on the illustration for outward clearing items.

**Bills Payable**

3.22 Bank drafts or other similar instruments or instructions are not considered as part of insurable deposits if these instruments were issued from sources other than the insurable deposits. Under item ‘Bills Payable’ of Part B of the RTID, DTMs are required to report the amount that relates to payment instructions that were not issued against insurable deposits.

**PART C: TOTAL INSURABLE DEPOSITS**

3.23 The total insurable deposits is derived by deducting the uninsurable portion from the insurable deposits as follows:

**Table 2: Formula for total insurable deposits**

Total insurable deposits	=	Insurable deposits	-	Uninsurable portion of insurable deposits.
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**PART D: AGGREGATED INSURABLE DEPOSIT BALANCES EXCEEDING RM250,000**

3.24 In calculating the total insured deposits for the purpose of the Guidelines, a DTM is required to exclude the aggregated insurable deposit balances exceeding RM250,000.

3.25 The steps to derive the aggregated insurable deposit balances exceeding RM250,000 for each depositor is outlined below:

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<sup>8</sup> For purposes of the Guidelines, bank drafts or cheques are deemed cleared when the status of the cheques/bank drafts are good for payment and forms part of the available balance.

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

### Step 1: Categorise insurable deposits based on account type

3.26 A DTM is required to segregate all the insurable deposits based on the seven (7) account types as follows:

- (a) Individual Person (individual account owned by individual natural person);
- (b) Individual Joint (joint account owned by individual natural person);
- (c) Individual Trust (trust account owned by individual natural person);
- (d) Business – Sole Proprietorship;
- (e) Business – Partnership;
- (f) Non-Individual Person (account owned by non-individual person such as companies (Berhad / Sendirian Berhad), corporations, societies, government, etc. other than sole proprietorship and partnership); and
- (g) Non-Individual Trust (trust account owned by non-individual person such as legal firm, etc.).

### Step 2: Identify depositors and the respective insurable deposits

3.27 A DTM is required to identify all depositors.

3.28 A depositor can be identified as follows:

- (a) For individuals: Customer Information File (“CIF”) number; and/or Identification card number (Old & New National Registration Identity Card (“NRIC”) number, Army/Police identification card number, Passport number); and
- (b) For non-individuals (e.g. businesses, government bodies and others): Customer Information File (“CIF”) number; and/or Registration number or equivalent.

3.29 For each depositor, the DTM is required to identify the type of the insurable deposits owned or held by the depositor and the respective insurable deposit balance.

3.30 The insurable deposit balance for a deposit account is calculated as follows:

**Table 3: Formula for Insurable Deposit Balance**

<p>Insurable Deposit Balance = Available Balance* + Accrued Interest/Return + Bills Payable</p> <p>*Available Balance = General Ledger Balance – Outward Clearing Items</p>
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<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

3.31 Demand deposits with a negative balance has to be reported as zero balance.

**Outward Clearing Items**

3.32 For the purpose of the Guidelines, bank drafts or cheques will not be considered as part of insurable deposits balance if these items have not been cleared by 31 December of the preceding assessment year. If a depositor’s account has been credited prior to the cheques/drafts being cleared, the DTM is required to deduct such amount from the general ledger balance of the depositor.

**Bills Payable**

3.33 For the purpose of the Guidelines, bank drafts or other payment instruments issued/drawn from insurable deposits shall remain as part of a depositor’s account balances as long as such payment instructions have not been cleared by 31 December of the preceding assessment year. The DTM is required to reinstate such amount to the depositors’ account in deriving the insurable deposit balance.

3.34 Transactions made via internet banking or interbank GIRO will be subject to the cut-off time for “same-day settlement”. If transactions were made on 31 December but after the “same-day settlement” cut-off time, the amount transacted will still form part of the payers’ insurable deposits balance for the purpose of the Guidelines. The DTM is required to reinstate such amount to the payers’ account in deriving the insurable deposit balance.

3.35 The examples on the adjustments required to be made in deriving the depositors’ insurable deposit balance are provided in **Appendix III**.

**Step 3: Calculate the aggregated insurable deposit balance**

3.36 For each depositor, the insurable deposit balance of all the insurable deposit types are to be aggregated in accordance with PIDM’s scope of coverage as set out in Section 2 of the Guidelines.

**Step 4: Determine the aggregated insurable deposit balance exceeding RM250,000**

3.37 The aggregated insurable deposit balance of each depositor as calculated in Step 3 is then compared against the deposit insurance protection limit of RM250,000 to determine the amount that exceeds RM250,000.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

- 3.38 The sum of the aggregated insurable deposit balance exceeding RM250,000 will be reported in Part D of the RTID.
- 3.39 For trust accounts, the DTM is required to exclude the aggregated insurable deposit balances exceeding RM250,000 for each trust account separately regardless whether there are two (2) or more deposit accounts held by the same trustee for the same beneficiary. This applies for both individual and non-individual trust accounts.
- 3.40 Please refer to **Appendix IV** on the example of the calculation of the aggregated insurable deposit balance exceeding RM250,000.

[End of Section 3]

## SECTION 4: CALCULATION OF ANNUAL PREMIUM

4.1 DTMs are required to report the annual premium payable in the RTID.

4.2 The annual premium payable by a DTM is calculated as follows:

**Table 4: Formula for total premium payable**

<b>Total premium payable</b>	=	Total insured deposits	x	Prescribed premium rate
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4.3 The prescribed premium rate is calculated and issued/generated via Industry Portal to a DTM upon the final submission by the DTM of the pre-formatted DPS form (“DPS Form”) and the pre-formatted RTID using the interactive submission menu.

### MINIMUM ANNUAL PREMIUM AMOUNT

4.4 A minimum annual premium amount has been prescribed under the Malaysia Deposit Insurance Corporation (Rates for First Premium and Annual Premium in Respect of Deposit-Taking Members) Order 2023. A DTM shall pay such minimum annual premium amount if the total annual premium payable as determined in the formula above is less than the minimum annual premium amount.

### CONVENTIONAL DTMS CARRYING ON ISLAMIC BANKING BUSINESS

4.5 A conventional DTM<sup>9</sup> that carries on Islamic banking business is required to calculate the annual premiums for its conventional and Islamic deposits separately. The total annual premium payable is subject to the applicable minimum annual premium amount.

<sup>9</sup> The term “conventional DTM” refers to a DTM that is a licensed bank under the Financial Services Act 2013. For avoidance of doubt, there will only be single premium rate applicable to both conventional DTM and Islamic entity as premium rate is assessed at legal entity level.



<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

**Illustration 1: Determination of annual premium payable for a conventional DTM that carries on Islamic banking business (premium payable above minimum annual premium amount)**

Business	TID (RM)	Premium Rate	Premium Payable (RM)
Conventional	400,000,000	0.082657%	330,628
Islamic	30,000,000		24,797
<b>Total</b>			<b>355,425</b>

4.6 Where the total annual premium payable is less than the applicable minimum annual premium amount, the DTM shall pay the minimum annual premium amount. For the purpose of remittance of payment to PIDM, the DTM shall apportion such minimum annual premium amount based on the TID for the conventional and Islamic banking business, as illustrated below.

**Illustration 2: Determination of minimum annual premium for conventional DTM that carries on Islamic banking business (calculated premium is below minimum annual premium)**

Business	TID (RM)	Premium Rate	Calculated Premium (RM)
Conventional	80,000,000	0.082657%	66,126
Islamic	30,000,000		24,797
<b>Total</b>			<b>90,923</b>

In illustration 2 above:

- (1) Total calculated premium payable is RM90,923.
- (2) Minimum annual premium payable = RM100,000

Thus, the proportion of premium to be paid to conventional and Islamic account are as follow:

Business	Calculation	Premium Payable (RM)
Conventional	$(66,126 / 90,923) \times 100,000$	72,727
Islamic	$(24,797 / 90,923) \times 100,000$	27,273
<b>Total</b>		<b>100,000</b>

[End of Section 4]



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

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## SECTION 5: SUBMISSION OF RETURN ON TOTAL INSURED DEPOSITS AND PAYMENT OF PREMIUM

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### SUBMISSION OF CERTIFIED RTID

- 5.1 A DTM is required to submit the certified RTID (in pre-formatted template) 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).
- 5.2 The pre-formatted RTID template is available on PIDM's website. No alterations or amendments are allowed to be made to the RTID template.
- 5.3 A DTM's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") must certify that the information provided in the RTID is accurate and reflective of the financial information of the DTM as at 31 December of the preceding assessment year. The CEO's and CFO's certification are required on the RTID.

### REMITTANCE OF ANNUAL PREMIUM

- 5.4 Annual premiums 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). The payment of the annual premiums shall be remitted to PIDM by way of executing a payment instruction via RENTAS to the respective PIDM's Operational Accounts with BNM as follows:

**Table 5: PIDM's operational account number and transaction code**

PIDM's Operational Account	Account Number	Transaction Code
Conventional	1554190755	PID01
Islamic	1554200047	PID02

- 5.5 Reporting in the RTID and the payment of annual premium shall be rounded to the nearest ringgit value without any decimal point.

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## PREMIUM PAYMENT FOR NEW DTMS

5.6 PIDM differentiates the premium payment between:

- (a) a new DTM with no existing deposit-taking business prior to becoming a PIDM member institution; and
- (b) a new DTM with existing deposit-taking business prior to becoming a PIDM member institution.

### New DTM with **no** existing deposit-taking business

5.7 A new DTM with no existing deposit-taking business prior to becoming a PIDM member institution refers to a new DTM that:

- (a) does not fall within the categories set out in paragraph 5.8 below; and
- (b) fulfils either one (1) of the following criteria in an assessment year –
  - (i) the DTM is **not** allowed to commence operation in the preceding assessment year; or
  - (ii) the first supervisory rating of the DTM is not available by the last date the DTM is required to submit the DPS information in that assessment year<sup>10</sup>.

### New DTM with existing deposit-taking business

5.8 A new DTM with existing deposit-taking business prior to becoming a PIDM member institution refers to:

- (a) a new DTM that has been in operation and carrying on deposit-taking business for a minimum period of two (2) years prior to being licensed under the Financial Services Act 2013 (“FSA”) or Islamic Financial Services Act 2013 (“IFSA”) and becoming a DTM of PIDM;
- (b) a new DTM that is an Islamic bank that originated from a licensed bank carrying on Islamic banking business approved under subsection 15(1) of the FSA; or
- (c) a new DTM to which the business of one (1) or more transferring parties is transferred to under a business transfer scheme in the assessment year of which it becomes a DTM of PIDM.

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<sup>10</sup> The last date for DTMs to submit the DPS 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 9.6 of the Guidelines on the Differential Premium Systems (DPS) Framework for Deposit-Taking Members).

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## REMITTANCE OF FIRST PREMIUM

- 5.9 The first premium payable by a new DTM referred to under paragraphs 5.7, 5.8(a) and 5.8(b) shall be calculated on the basis of the total insured deposits held by the new DTM as at the last day of the calendar month in which the new DTM becomes a member institution. For a new DTM referred to under paragraph 5.8(c), the basis for the first premium payable are set out in paragraphs 5.13 to 5.15 below.
- 5.10 For purposes of premium payment in an assessment year, a new DTM with no existing deposit-taking business prior to becoming a PIDM member institution (referred to in paragraph 5.7 above) shall:
- (a) Pay first premium of RM250,000, or an amount calculated based on risk grade 1 and resolution centric criteria (RCC) score of 100%, whichever is higher; and
  - (b) Submit the certified RTID for First Premium Calculation (in pre-formatted template) through PIDM's Industry Portal. The DTM's CEO and CFO must certify that the information provided in the RTID is accurate and reflective of the financial information of the DTM. The CEO's and CFO's certification are required on the RTID.
- 5.11 For purposes of premium payment in an assessment year, a new DTM with existing deposit-taking business (referred to in paragraph 5.8 above) shall:
- (a) Pay first premium of RM250,000, or an amount calculated based on the premium rate applicable to the DTM as assessed under the DPS framework<sup>11</sup>, whichever is higher; and
  - (b) Submit the certified RTID for First Premium Calculation (in pre-formatted template) through PIDM's Industry Portal. The DTM's CEO and CFO must certify that the information provided in the RTID is accurate and reflective of the financial information of the DTM. The CEO's and CFO's certification are required on the RTID.
- 5.12 A new DTM shall, within 30 days from the date it becomes a member institution or such other period as may be specified by PIDM:

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<sup>11</sup> Where the first supervisory rating of the new DTM is not available by the last date the new DTM is required to submit the DPS information in that assessment year, the new DTM shall be classified in risk grade 3 for the safety and soundness criteria for the relevant assessment year.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

- (a) Submit the certified RTID for First Premium Calculation to PIDM and pay the first premium by way of executing a payment instruction via RENTAS to PIDM's Operational Accounts as stated below; and

PIDM's Operational Account	Account Number	Transaction Code
Conventional	1554190755	PID01
Islamic	1554200047	PID02

- (b) Submit the proof of first premium payment to PIDM.

#### **PREMIUM PAYMENT FOR DTMS (INCLUDING NEW DTM) UNDER A BUSINESS TRANSFER SCHEME FOR AMALGAMATION**

5.13 For purposes of this part:

- (a) "business transfer scheme" refers to a scheme of transfer for the whole or material part of the deposit-taking business in respect of a merger or acquisition exercise that results in an amalgamation. The amalgamated entity can be an existing DTM that acquires or merges with another person, or can be a newly licensed entity (licensed under the FSA or IFSA);
- (b) "transferee member" refers to the DTM to which the business of one (1) or more transferring parties is transferred under a business transfer scheme; and
- (c) "transferring party" refers to a DTM or a non-DTM which transfers its business under a business transfer scheme to another DTM.

5.14 In general the transferee member will pay premiums for the assessment year in which the business transfer scheme takes effect, unless premiums have already been paid for in respect of the transferred business for that assessment year.

5.15 For DTM(s) involved in a business transfer scheme for amalgamation, the following premium assessment and payment are applicable:

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

**Table 6: Premium assessment and payment under business transfer scheme**

		Effective date of business transfer scheme:	
		Between 1 January to 31 May of the assessment year	Between 1 June to 31 December of the assessment year
<b>A. Transfers resulting in the formation of a new DTM</b>			
1.	Transfers involving DTMs only Sample scenario: DTMs A and B were involved in a merger and acquisition, resulting in the formation of a new amalgamated DTM, known as DTM X (transferee member)		
(a)	Requirement to pay and basis of calculation of first premium:	<ul style="list-style-type: none"> <li>DTM X will need to pay first premium on the TID of DTM A and TID of DTM B, both as at 31 December of the preceding assessment year, subject to the minimum amount of RM250,000, whichever is higher.</li> </ul>	<ul style="list-style-type: none"> <li>DTM X does not need to pay first premium<sup>12</sup>.</li> </ul>
2.	Transfers involving DTMs and non-DTMs Sample scenario: One DTM A and one non-DTM B were involved in a merger and acquisition, resulting in the formation of a new amalgamated DTM, known as DTM X (transferee member)		
(a)	Requirement to pay first premium and the basis of calculation of first premium:	<ul style="list-style-type: none"> <li>DTM X will pay first premium on the TID of DTM A as at 31 December of the preceding assessment year and the TID of non-DTM B as at the transfer date subject to the minimum amount of RM250,000, whichever is higher.</li> </ul>	<ul style="list-style-type: none"> <li>DTM X will pay first premium on the TID of the non-DTM B<sup>13</sup> as at the transfer date, subject to the minimum amount of RM250,000.</li> </ul>

<sup>12</sup> This is because DTMs A and B would have respectively already paid annual premiums by 31 May of the assessment year.

<sup>13</sup> First premium will only be in respect of business transferred from non-DTM B. This is because DTM A would have already paid annual premium by 31 May of the assessment year.

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

		<b>Effective date of business transfer scheme:</b>	
		<b>Between 1 January to 31 May of the assessment year</b>	<b>Between 1 June to 31 December of the assessment year</b>
<b>B. Transfers to existing DTMs</b>			
3.	Transfer of business from existing DTMs Sample scenario: DTM A transfers the whole of its business to DTM B (transferee member)		
	Requirement to pay annual premium and basis for calculation of annual premium	<ul style="list-style-type: none"> <li>DTM A does not need to pay annual premium.</li> <li>DTM B will pay annual premium calculated on the TID of DTM A and the TID of DTM B, both as at 31 December of the preceding assessment year, subject to the minimum annual premium amount, whichever is higher.</li> </ul>	<ul style="list-style-type: none"> <li>DTM B does not need to pay any additional annual premium<sup>14</sup>.</li> </ul>
4.	Transfer of business from non-DTMs Sample scenario: The business of a non-DTM A is transferred to DTM B (transferee member)		
(a)	Requirement to pay annual premium and basis of calculation of annual premium:	<ul style="list-style-type: none"> <li>DTM B needs to pay annual premium on the TID of non-DTM A as at the transfer date and the TID of DTM B as at 31 December of the preceding assessment year, subject to the minimum annual premium amount, whichever is higher.</li> </ul>	<ul style="list-style-type: none"> <li>DTM B needs to pay additional annual premium on the TID of non-DTM A as at the transfer date subject to the minimum annual premium amount, whichever is higher.</li> </ul>

<sup>14</sup> This is because DTM A would have already paid annual premium for the transferred business and DTM B would have already paid annual premium for its existing business, by 31 May of the assessment year.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## OVERDUE CHARGES AND PREMIUM SURCHARGE FOR NON-COMPLIANCE

- 5.16 For any unpaid premium that is due and payable but has not been paid by a DTM on the due date, PIDM will impose an overdue charge on such unpaid premium pursuant to Section 52 of the PIDM Act. The overdue charge is calculated in accordance with the Malaysia Deposit Insurance Corporation (Overdue Charges) Regulations 2012 as follows:

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

- 5.17 Non-compliance with any requirements of PIDM's guidelines, regulations or orders by a deposit-taking member could result in an imposition of a premium surcharge pursuant to Section 51 of the PIDM Act. A DTM is accountable to ensure the accuracy of information submitted in the RTID and shall maintain proper records and information used as a basis for premium assessments, failing which a premium surcharge may be imposed on such DTM.
- 5.18 The amount of premium payable to PIDM is confidential and shall not be disclosed to the public. A premium surcharge may be imposed on a DTM that does not comply with this prohibition against public disclosure.

[End of Section 5]





Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

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## SECTION 6: VALIDATION PROGRAMME ON RETURN ON TOTAL INSURED DEPOSITS ("RTID")

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### LEGAL PROVISIONS

- 6.1 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 or imprisonment or both.
- 6.2 Section 96 of the PIDM Act provides that PIDM may examine or commission another person, to conduct an examination of the operations of a deposit-taking member, and that the scope of audit may include the examination of: (a) whether proper and adequate records of its deposit liabilities are maintained by the deposit-taking member; or (b) whether reports made by the deposit-taking member on its premiums or deposit liabilities are substantially correct.

### OVERVIEW

- 6.3 DTMs are accountable and responsible to ensure the information in their RTID is accurate and complies with the requirements in the Guidelines.
- 6.4 DTMs 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 RTID is submitted to PIDM in a timely manner.
- 6.5 In addition to the above, the independent oversight of the internal auditor of a DTM remains important to ensure that the relevant systems, processes and controls are consistently reviewed and remain effective.

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## ERROR IN RTID

- 6.6 A DTM will be notified in writing by way of a Notice of Error (as defined in paragraph 6.7 below) and is required to appoint an external auditor to perform an independent validation in accordance with Section 7 of the Guidelines in the event the RTID submitted by the DTM to PIDM for the current assessment year contains an error or errors that result(s) in a change to the premium amount payable.
- 6.7 A Notice of Error is a letter issued by PIDM to the DTM’s Chief Executive Officer and Chairman of the Audit Committee of the DTM to notify them about the error(s) in the RTID that have been identified by PIDM as resulting in a change to the premium amount payable.
- 6.8 Upon receipt of the Notice of Error, the DTM is required to complete the reporting processes and requirements set out in Column 2 of Table 7 below and in accordance with the timelines set out in Column 1 of Table 7 below:

**Table 7: Reporting Processes and Requirements Upon Issuance of a Notice of Error**

No	Column 1 Timeline	Column 2 Reporting Processes and Requirements
(a)	Within fourteen (14) days from the date of the Notice of Error (or the immediate preceding working day if the 14th day falls on a weekend or a public holiday in Kuala Lumpur)	<b>Step 1:</b> Submit the revised RTID and its certification to PIDM.
		<b>Step 2:</b> Remit any unpaid premium including overdue charges (if any).
(b)	Within one hundred and fifty (150) days from the date of the Notice of Error (or the immediate preceding working day if the 150th day falls on a weekend or a public holiday in Kuala Lumpur)	<b>Step 3:</b> Appoint an external auditor to perform an independent validation in accordance with Section 7 of the Guidelines.
		<b>Step 4:</b> Submit an assurance report including exceptions or findings, explanation on the root cause of the error and a detailed action plan together with the proposed timeline to address such exceptions or findings to PIDM. All reports are required to be addressed and tabled to the DTM’s Audit Committee, prior to the submission to PIDM.



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

No	Column 1 Timeline	Column 2 Reporting Processes and Requirements
		<b>Step 5:</b> If additional error(s) were identified by the external auditor, submit the revised RTID and its certification to PIDM, as well as remit any unpaid premium including overdue charges (if any) should the error affect the actual amount of premium payable to PIDM.

6.9 For further reference, please refer to **Appendix V** on the illustrations of errors in RTID, including the process for resubmission and overdue charges computation.

[End of Section 6]

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## SECTION 7: EXTERNAL AUDITOR'S VALIDATION BASED ON LIMITED ASSURANCE ENGAGEMENT

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### CRITERIA FOR APPOINTMENT OF AN EXTERNAL AUDITOR

- 7.1 The appointed external auditor shall be a professional accountant in public practice in Malaysia and qualified to issue an opinion in accordance with the requirements set out in the International Standards on Assurance Engagements ("ISAE") 3000 – Assurance Engagement Other Than Audits or Reviews of Historical Financial Information.
- 7.2 The independent validation performed by the appointed external auditor shall be based on the limited assurance engagement.
- 7.3 A DTM shall not appoint the same external auditor to perform the independent validation as required under the Guidelines, if that external auditor had carried out a review or validation of the DTM's original RTID submitted to PIDM in the relevant assessment year.

### VALIDATION REQUIREMENTS OF THE LIMITED ASSURANCE ENGAGEMENT

- 7.4 The appointed external auditor is required to ensure that the validation requirements set out in this section are met.
- 7.5 The validation requirements generally cover two (2) areas:
- (a) Assess the operational effectiveness of the DTM's internal controls**

In order to ensure compliance with the requirements of the Guidelines, the DTM is required to maintain proper and effective internal controls and processes for the relevant information compilation, checking, approval and submission processes and procedures. The DTM is required to appoint an external auditor to assess the effectiveness of its internal controls and identify any deficiency in the relevant controls that needs to be enhanced.

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

**(b) Validate the RTID based on the requirements specified in the Guidelines**

To ensure that the revised RTID submitted to PIDM has fully complied with the requirements of the Guidelines, the DTM is required to appoint an external auditor to validate the revised RTID.

**SCOPE AND NATURE OF THE LIMITED ASSURANCE ENGAGEMENT**

- 7.6 The scope and nature of the independent validation based on the limited assurance engagement under ISAE 3000 will focus on the processes of preparing the revised RTID based on the sources of information.
- 7.7 Table 8 below provides a guidance on the minimum scope of independent validation that is required to be performed by the external auditor.

**Table 8: Minimum Scope of Independent Validation**

No	Minimum Scope of Independent Validation
1.	<b>Overall Control Environment Assessment</b>
	<u>Policies and procedures</u> are formally and adequately documented, kept up to-date, and circulated to all concerned personnel to ensure effective communication of the requirements, data sources, processes and procedures for compliance with the Guidelines.
2.	<b>Operational Controls Assessment</b>
	<b>(a) Information identification, preparation and data extraction</b>
	(i) <u>Operating manuals</u> relating to the information identification, data mapping preparation and data extraction processes are in place to provide guidance for all concerned personnel, facilitate understanding, and stipulate requirements for responsible personnel on the related operations.
	(ii) Clear definitions of <u>roles and responsibilities</u> relating to the information identification, preparation, data extraction, performance and accountability of related processes are provided and effectively communicated to all concerned personnel.
	(iii) <u>Review procedures</u> are in place and operating effectively for automated or manual processes in data identification, preparation and extraction processes to ensure that the automated or manual processing is complete, accurate, authorised, and in accordance with the Guidelines.

	<b>(b) Reconciliation and verification of data</b>
	(i) Formal <u>operating manuals</u> relating to the data reconciliation and verification processes are documented to provide guidance for all concerned personnel, facilitate understanding, and stipulate requirements for responsible personnel on the related operations.
	(ii) Clear definitions of <u>roles and responsibilities</u> relating to the reconciliation, verification, accountability and performance of related processes are provided and effectively communicated to all concerned personnel.
	(iii) Adequate and appropriate <u>reconciliation procedures</u> are in place to ensure completeness and accuracy of the information. For example, where information is not directly obtained from the sources of information, it should be reconciled with the underlying financial records.
	(iv) Automated or manual <u>verification procedures</u> are in place and operating effectively to ensure that the data and information prepared are in compliance with the requirements set out in the Guidelines. Discrepancy handling procedures are in place to ensure that: <ul style="list-style-type: none"> <li>• discrepancies noted are recorded, and are timely and completely followed up by the appropriate personnel; and</li> <li>• verification results are reviewed to ensure that all discrepancies are followed up and resolved.</li> </ul>
	<b>(c) Approval and submission of information</b>
	(i) Formal <u>operating manuals</u> relating to the approval and submission of information to PIDM are documented to provide guidance for all concerned personnel, facilitate understanding, and stipulate requirements for responsible personnel on the related operations.
	(ii) Clear definitions of <u>roles and responsibilities</u> relating to the approval or accountability and submission of information to PIDM and performance of related processes are provided and effectively communicated to all concerned personnel.
	(iii) <u>Review procedures</u> are in place and operating effectively prior to submission to PIDM to ensure that all information required is prepared in the specified format, reconciled, verified, and compiled for submission.

3.	<b>Related Application Controls Assessment (if applicable)</b>
	<b>(a) Application or systems documentation</b>
	The application used must be developed or implemented using the internally approved System Development Life Cycle or Information Technology (IT) project management processes. This will include, but not limited to, user requirement, architecture and design, entity relationship diagrams, user acceptance tests, installation guides and user manuals.
	<b>(b) Application change management controls</b>
	<u>Change management</u> controls are in place to ensure that changes in relevant systems (for example any changes to data extraction programs and automated data checking procedures) are properly managed and monitored for compliance with the requirements set out in the Guidelines.
	<b>(c) Access security management controls</b>
	<u>Physical and logical access</u> to the related applications and data are restricted to authorised personnel only. Access should be granted to individuals involved in the related processes on a “need to have” basis. These access privileges must be approved and reviewed periodically.
	<b>(d) End-user computing or tagging management controls</b>
	<u>Controls and security over end-user computing or tagging</u> are in place to ensure the information integrity and security of end-user maintained applications and information for example the internal control on automated computation or any system tagging are in place.
4.	<b>RTID Validation</b>
	RTID are in compliance to the Guidelines and that all data are extracted from the right sources as per the Guidelines. The review is required to be performed on the RTID based on the latest submission to PIDM.

7.8 For the avoidance of doubt, the scope and extent of the independent validation to be undertaken by the external auditor should not be limited to or restricted by the minimum scope as set out in Table 8 above. The scope of the independent validation shall cover such other areas as it is required in order for the external auditor to issue an opinion on the independent validation to PIDM.

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

7.9 If the external auditor appointed to perform the independent validation under the Guidelines is the same auditor who has performed a statutory audit for the DTM, and the statutory audit covered the scope on processes and controls over the maintenance of the source documents and application systems, the external auditor may not be required to include such scope for the independent validation. However, such information may still need to be considered in the course of the independent validation to identify the root cause and implication of the error(s).

**SUBMISSION DATES OF THE ASSURANCE REPORT AND DETAILED ACTION PLAN AND TIMELINE**

7.10 The DTM is required to submit the assurance report pursuant to the independent validation performed by the appointed external auditor including exceptions or findings, explanation on the root cause of error(s) and the detailed action plan together with the proposed timeline to address such exceptions or findings to PIDM within one hundred and fifty (150) days from the date of the Notice of Error. All reports are required to be addressed and tabled to the DTM’s Audit Committee, prior to the submission to PIDM.

7.11 In the event that additional error(s) were identified based on the external auditor’s independent validation, the external auditor shall liaise with the DTM to rectify the error(s). The DTM is required to submit the revised RTID and its certification as well as pay any unpaid premium including overdue charges (if any) to PIDM, within one hundred and fifty (150) days from the date of the Notice of Error.

[End of Section 7]

Perbadanan Insurans Deposit Malaysia  
12 December 2024



<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## APPENDIX I : SCOPE OF COVERAGE

### Example 1: Individual accounts

Ahmad has four individual accounts under various deposit types and in different branches of a bank.

Deposit Type	Branch	Insurable Deposit Balance (RM)	(A) Aggregated Insurable Deposit Balance (RM)	(B) Aggregated Insurable Deposit Balance Exceeding RM250,000	(C) Total Insured Deposits (RM)
Savings	Kuala Lumpur	60,000	<b>260,000</b>	10,000	250,000
Demand	Petaling Jaya	80,000			
Fixed deposit	Kuala Lumpur	100,000			
Foreign currency fixed deposit	Shah Alam	20,000			

The total insured deposits is calculated as the aggregated insurable deposit balance less the amount which exceeded RM250,000. The total insured deposits (C) is calculated by deducting the amount in column (B) from the amount in column (A).

In the example above, Ahmad's total insured deposits is  $RM260,000 - RM10,000 = RM250,000$ .

### Example 2: Conventional and Islamic accounts

Ahmad has six individual accounts in a bank which carries on Islamic banking business in addition to its conventional banking business.

Deposit Type	Conventional deposits (RM)	Islamic deposits (RM)	Total
Savings	60,000	50,000	
Demand	80,000	40,000	
Fixed deposit	100,000	-	
General investment	-	80,000	
Foreign currency fixed deposit	20,000	-	
<b>Aggregated Insurable Deposit Balance</b>	<b>260,000</b>	<b>170,000</b>	
<b>Aggregated Insurable Deposit Balance Exceeding RM250,000</b>	<b>10,000</b>	<b>-</b>	
<b>Total Insured Deposits (RM)</b>	<b>250,000</b>	<b>170,000</b>	<b>420,000</b>

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

Ahmad’s total insured deposits is RM420,000 of which RM250,000 is for conventional deposits and RM170,000 is for Islamic deposits.

**Example 3: Joint accounts**

Ahmad has an individual deposit account and five joint accounts with others.

Account Type	Owner(s)	Insurable Deposit Balance (RM)	Aggregated Insurable Deposit Balance (RM)	Aggregated Insurable Deposit Balance Exceeding RM250,000	Total Insured Deposits (RM)
Individual	Ahmad	280,000	280,000	30,000	250,000
Individual Joint	Ahmad & wife – Account 1	100,000	260,000	10,000	250,000
	Ahmad & wife – Account 2	160,000			
	Ahmad, wife & son	60,000	60,000	-	60,000
	Ahmad & daughter	50,000	50,000	-	50,000
	Ahmad, wife, son & daughter	300,000	300,000	50,000	250,000

Ahmad’s total insured deposits on his individual account is RM250,000. Ahmad’s joint accounts are insured separately from his individual account. Joint accounts held with different joint owners shall enjoy separate protection limit. However, if a depositor has several joint accounts with the same joint owners, these deposits shall be aggregated and insured up to RM250,000. In the example above, for the two accounts where Ahmad and his wife are joint owners, the insurable deposit balance is aggregated and insured up to RM250,000.

**Example 4: Trust accounts : Individual Trust**

Account Type	Trustee	Beneficiary	Insurable Deposit Balance (RM)	Aggregated Insurable Deposit Balance (RM)	Aggregated Insurable Deposit Balance Exceeding RM250,000	Total Insured Deposits (RM)
Trust	Ahmad	Badrul	140,000	260,000	10,000	250,000
		Daud	120,000			
Trust	Siti	Daud	120,000	120,000		120,000

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

Trust (1)	Farid	Hana	130,000	130,000		130,000
Trust (2)	Farid	Hana	135,000	135,000		135,000
Non-Individual Trust	Ramli & Co.	#100	160,000	400,000	150,000	250,000
		#101	140,000			
		#102	100,000			

For purposes of determining the aggregated insurable deposit balance exceeding RM250,000 under Section 3 of the Guidelines, the Total Insured Deposits is capped at RM250,000 per account for each Individual and Non-Individual Trust account, regardless of the number of the beneficiaries, and regardless whether there are two or more deposit accounts held by the same trustee for the same beneficiary.

The DTM is then required to report the aggregated insurable deposit balances exceeding RM250,000 for each Individual and Non-Individual trust account.

#### Example 5: Sole proprietorship or partnership

For a depositor which operates a business as a sole proprietor or a partner in a partnership or carries on any professional practice, the deposits from such business or professional practice shall be separately protected from the deposits of the depositor as an individual or as a trustee or as a joint owner.

Account Type	Deposit Type	Insurable Deposit Balance (RM)	Aggregated Insurable Deposit Balance (RM)	Aggregated Insurable Deposit Balance Exceeding RM250,000	Total Insured Deposits (RM)
Individual	Savings	60,000	60,000	-	60,000
Business - Sole Proprietorship	Demand	190,000	190,000	-	190,000
Business -Partnership	Demand	270,000	270,000	20,000	250,000

In the example above, each of the account types are insured separately up to RM250,000.

## APPENDIX II : INTERPRETATION OF ITEMS IN THE RETURN ON TOTAL INSURED DEPOSITS

Item	Interpretation
Demand Deposits Accepted	Funds accepted with positive balances in its current accounts. If the current account is overdrawn, report the overdrawn amount as loans/financing, specifically overdraft. It should be noted that inter-commercial bank current account balances are not reportable as Demand Deposits; instead, they are reportable in the Vostro Account and Overdrawn Nostro Account.
Savings Deposits Accepted	Funds accepted that are not subject to a fixed maturity period and may be withdrawn without prior notice. Interest/profit/hibah (at the prevailing savings deposit rate) would be paid to the depositors at periodic intervals.
Fixed Deposits Accepted	Funds accepted (including overdue deposits) that are subject to a fixed maturity period and are repayable with interest at a fixed rate. Depository usually issues a fixed deposit receipt for which is non-transferable. If a depositor issues a premature fixed deposit, the depository may not pay interest on the deposit or may vary the original interest rate.
Specific Investment Accounts Accepted	<p>Funds accepted on terms that the investment accounts are utilised for the purpose of financing or investing in specific assets or project, subject to agreed maturity period and profit is payable based on a pre-agreed profit-sharing ratio. The funds accepted are managed separately from other investment accounts and the receiving institution would issue a special investment account receipt for which is non-transferable.</p> <p><b>Uninsurable portion:</b> The Specific Investment Deposit Accepted shall not form part of insurable deposits if the purpose is expressly for placement in the Islamic Interbank Money Market. Under the RTID reporting, a DTM has to deduct the uninsurable portion of the Specific Investment Deposit Accepted.</p>
General Investment Account Accepted	Funds accepted on terms that the investment accounts are subject to a fixed maturity period and are repayable with profit based on a predetermined sharing ratio. The receiving institution would issue a general investment account receipt, which is non-transferable.
Commodity Murabahah Deposits Accepted	<p>Funds accepted on terms that the deposits are subject to a fixed maturity period and are repayable with profit based on a fixed rate of return. The depository normally issue a commodity murabahah deposit receipt as an evidence of buying and selling of commodities that are normally based on metals listed on the major commodity exchange or palm oil based products.</p> <p><b>Uninsurable portion:</b> The Commodity Murabahah deposit accepted shall not form part of insurable deposits if the purpose is expressly for placement in the Islamic Interbank Money Market. Under the RTID reporting, a DTM has to deduct the uninsurable portion of the Commodity Murabahah.</p>



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

**Ref No** DI/GL1-A6/2024 (TID) **Issued on** 12 December 2024

**TITLE** Guidelines on Total Insured Deposits, Premiums and Validation Programme

Item	Interpretation
Housing Development Account Deposits Accepted	Funds accepted from housing developers, which can be collected by the housing developers from house-buyers or end-financiers arising from the sale of residential property being developed by the developers.
Short Term Deposits Accepted	<p>Funds accepted that are subject to a fixed maturity period (may be of any tenure with a minimum tenure of 1 day, but usually less than 365 days) and are repayable with interest at a fixed rate. Short term deposits are usually offered as an alternative to fixed deposits and repurchase agreements to high net-worth individuals and corporates under various names such as short term-treasury deposits, money market time deposits, short-term money market deposits and money market deposits.</p> <p><b>Uninsurable portion:</b></p> <p>Short Term Deposit Accepted (also known as money market deposit, short-term treasury deposits, money market time deposits and short-term money market deposits) shall not form part of insurable deposits if the purpose is expressly for placement in the interbank money market (including, where applicable, the Islamic Interbank Money Market). Under the RTID reporting, a DTM has to deduct the uninsurable portion of the Short Term Deposit Accepted in Part B of the RTID.</p>
Investment Linked to Derivatives Offered	<p>Funds accepted arising from a structured product with embedded derivatives (e.g. options) that are normally linked to the performance of an underlying asset such as interest rates, equities, foreign currency rates, etc. An Investment Linked To Derivatives may be principal protected or non-principal protected.</p> <p><b>Uninsurable portion:</b></p> <p>Investment Linked to Derivatives Offered are classified as insurable deposits (until they reach maturity, are fully withdrawn or are otherwise terminated, whichever is earlier) if PIDM has previously certified it as insurable deposits. Under the RTID reporting, a DTM has to deduct other Investment Linked to Derivatives Offered, which are excluded from PIDM's deposit coverage.</p>
Other Deposits Accepted	Funds accepted, not classified elsewhere in sub-classes under 'Deposits Accepted'.
Interest Payable	<p>Interest payable on liabilities, excluding interest payable, which is already included in other liability items. The item is only applicable to conventional banking operations.</p> <p><b>Uninsurable portion:</b></p> <p>Under the RTID reporting, a DTM has to deduct the uninsurable portion of the interest payable, which is not related to the insurable deposits.</p>



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
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<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme
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Item	Interpretation
Profit Payable	<p>Profit payable on liabilities, excluding profit payable, which is already, included in other liability items. The item is only applicable to Islamic banking operations.</p> <p><b>Uninsurable portion:</b> Under the RTID reporting, a DTM has to deduct the uninsurable portion of the profit payable, which is not related to the insurable deposits.</p>
Bills Payable	<p>Payable to various beneficiaries arising from the sale of bank drafts, cashier's orders, mail transfers, telegraphic transfers, gift cheques and travellers cheques, including stale orders and drafts. Include interbank GIRO in transit.</p> <p><b>Uninsurable portion:</b> Under the RTID reporting, a DTM has to deduct the uninsurable portion of the bills payable where the payment instructions were issued from sources other than the insurable deposits.</p>

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

### APPENDIX III : ADJUSTMENTS FOR PAYMENT INSTRUCTIONS

#### A. OUTWARD CLEARING ITEMS

Bank drafts and cheques deposited into the deposit accounts in a DTM will only form part of the depositor's insurable deposits if the cheques and drafts **were cleared** by 31 December of the preceding assessment year. Otherwise, the amount will not be included as part of the insurable deposits.

Outward Clearing Items	
<p>Customer A has a savings account balance of RM20,000 as at 1 December. A cheque amounting to RM10,000 was deposited into his savings account in Bank XYZ on 31 December. The cheque has been sent for clearing but was not cleared as at 31 December.</p> <p>In Bank XYZ, Customer A's savings account ledger balance as at 31 December increases to RM30,000 while the available balance remains at RM20,000.</p>	
Reporting in RTID	
<ol style="list-style-type: none"> <li>Report the ledger balance of RM30,000 under item 'Savings Deposits Accepted' in Part A(I) of the RTID.</li> <li>Report the uncleared cheque of RM10,000 under item "Outward Clearing Items" in Part B of the RTID.</li> </ol>	
Calculation of Depositor's Insurable Deposit Balance	
Deduct the uncleared item of RM10,000 in the calculation of the Customer A's insurable deposit balance.	
General Ledger Balance	RM30,000
<b>Less:</b> Outward Clearing Item	RM10,000
Available Balance	RM20,000



<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## B. BILLS PAYABLE

Bills payable instruments such as bankers' cheque or bank drafts issued/drawn from insurable deposits will be considered as part of the insurable deposits if they were **not cleared** by 31 December of the preceding assessment year.

BILLS PAYABLE	
Customer B has a savings account balance of RM15,000 in Bank ABC. On 1 December, he purchased a bank draft worth RM10,000 via debiting his savings account.	
The transaction will be reflected in the depositor's account as follows:	
Initial Balance	RM15,000
<b>Less:</b> Bills Payable	RM10,000
Balance as at 31 December	RM 5,000
The bank draft was not presented or cleared by 31 December.	
Reporting in RTID	
1. Report the savings account balance of RM5,000 under Part A(I) of the RTID i.e. item 'Savings Deposits Accepted'.	
2. Report bills payable of RM10,000 in Part A(I) of the RTID.	
Calculation of Depositor's Insurable Deposit Balance	
Add the bills payable of RM10,000 in the calculation of the Customer B's insurable deposit balance:	
Available Balance	RM 5,000
<b>Add:</b> Bills Payable	RM10,000
Insurable Deposit Balance	RM15,000



<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

### C. INTERBANK GIRO

Transaction made via interbank GIRO will be subject to the cut-off time for “same-day settlement”. If the transaction is made on 31 December but after the “same-day settlement” cut-off time, the amount transacted will still form part of the payer’s insurable deposits even though the payer’s deposit account has been debited.

INTERBANK GIRO	
A depositor has an initial savings account balance of RM15,000 and performs a payment transaction via interbank GIRO amounting to RM10,000 on 31 December.	
The transaction will be reflected in the depositor’s account as follows:	
Initial Balance	RM15,000
<b>Less:</b> Interbank GIRO Transfer	RM10,000
Balance as at 31 December	RM 5,000
The interbank GIRO however, was performed after the cut-off time for same-day settlement.	
Reporting in RTID	
Report the savings account balance of RM5,000 under ‘Savings Deposits Accepted’ in Part A(I) Insurable Deposits of the RTID.	
Report bills payable of RM10,000 under ‘Bills Payable’ in Part A(I) Insurable Deposits of the RTID.	
Calculation of Depositor’s Insurable Deposit Balance	
Add the bills payable of RM10,000 in the calculation of the depositor’s insurable deposit balance:	
Available Balance	RM5,000
<b>Add:</b> Bills Payable	RM10,000
Insurable Deposit Balance	RM15,000

## APPENDIX IV : EXAMPLE OF THE CALCULATION OF THE AGGREGATED INSURABLE DEPOSIT BALANCES EXCEEDING RM250,000

### Example 1: Deposit balances in excess of RM250,000 per depositor

STEP 1		STEP 2				STEP 3	STEP 4
Account Type	Name	Identification number	Deposit Type	Beneficiary/ joint owner	Insurable Deposit Balance	Aggregated Insurable Deposit Balance	Aggregated Insurable Deposit Balance Exceeding RM250,000
					RM		
Individual	Abdullah	XXXX	Savings		30,000	260,000	10,000
	Abdullah	XXXX	Fixed		230,000		
	Ahmad	XXXX	Current		2,500	2,500	NIL
	Allen	XXXX	Savings		4,500	4,500	NIL
	Amirul	XXXX	Current		500	500	NIL
	Badrul	XXXX	Current		7,000	7,000	NIL
	Basir	XXXX	Fixed		15,000	15,000	NIL
	Chan	XXXX	Current		280,000	280,000	30,000
	Chong	XXXX	Current		30,000	30,000	NIL
	Faizal	XXXX	Savings		6,000	6,000	NIL
	Nizam	XXXX	Fixed		2,000	2,000	NIL
	Zulkifli	XXXX	Current		7,500	7,500	NIL
Trust	Amirul	XXXX	Savings	Son	5,500	5,500	NIL
			Savings	Daughter	2,300	2,300	NIL
	Ang & Daniel	XXXX	Current	Client - 1	7,000	7,000	NIL
			Current	Client - 2	390,000	390,000	140,000
	Fitri	XXXX	Current	Son A	5,000	5,000	NIL
Current			Son A	2,500	2,500		
Joint	Chan A	XXXX	Current	Sister	35,000	35,000	NIL
	Zulkifli	XXXX	Current	Wife	20,500	33,000	NIL
			Current	Wife	12,500		
<b>Σ Aggregated insurable deposit balance exceeding RM250,000</b>							<b>180,000</b>

The aggregated insurable deposit balance exceeding RM250,000 in the above example amounted to RM180,000 and will be reported in Part D of the RTID.

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

## APPENDIX V : ILLUSTRATIONS OF ERRORS UNDER RTID

**Scenario: Error in the premium amount payable for the current assessment year.**

*Note: The error gives rise to a change in the total premium amount payable, which is illustrated in (a) and (b) below.*

In assessment year 2025, an error in Bank A's premium amount payable was identified.

**(a) An error was noted in the TID reported by the DTM**

Assessment year	Initial submission with error			Resubmission by deposit-taking member			
	TID [A] (RM' 000)	Premium rate	Premium payable (RM)	Revised TID [B] (RM' 000)	Difference [C = B – A] (RM' 000)	Premium rate [D]	Unpaid premium [C * D] (RM)
2025	500,000	0.064532%	322,660	680,000	180,000	0.064532%	116,158

The error was identified in the TID reported by Bank A as shown above that led to the change in the premium amount payable for assessment year 2025.

A Notice of Error will be issued to Bank A in assessment year 2025. Bank A will be required to submit its revised RTID for assessment year 2025 together with its certification, as well as remit the unpaid premium payable to PIDM including the overdue charge within fourteen (14) days from the date of the Notice of Error.

The computation of the unpaid premium including the overdue charge is illustrated below.

(a)	Unpaid premium	RM116,158
(b)	Due date of annual premium payment	31 May 2025
(c)	Notice of Error issued by PIDM	15 June 2025
(d)	Resubmission of RTID & remittance of unpaid premium	29 June 2025
(e)	Number of days elapsed [(d) – (b)]	29 days
(f)	Overdue charge calculation [(a) x 10% x (e)/365]	RM116,158 X 10% X [29/365 days] = RM923
(g)	Total of unpaid premium and overdue charge for Bank A [(a) + (f)]	RM117,081

The total unpaid premium and overdue charge of RM117,081 is then remitted to PIDM. Bank A is required to appoint an external auditor to perform an independent validation on the revised RTID based on the requirements set out in the Guidelines. The assurance report of the independent validation and the detailed action plan together with the proposed timeline to rectify the exception(s) noted shall be submitted to PIDM within one hundred and fifty (150) days from the date of the Notice of Error. All reports are required to be addressed and tabled to Bank A's Audit Committee, prior to the submission to PIDM.

**(b) Scenario: Error noted in the premium rate used by the DTM**

Assessment year	Initial submission with error			Resubmission by deposit-taking member			
	TID (RM' 000)	Premium rate	Premium payable [A] (RM)	Revised TID [B] (RM' 000)	Premium rate [C]	Revised premium payable [C*B=D] (RM)	Unpaid premium [D - A] (RM)
2025	500,000	0.064532%	322,660	500,000	0.075432%	377,160	54,500

The error was identified in the premium rate used by Bank A as shown above that led to the change in the premium amount payable for assessment year 2025.

A Notice of Error will be issued to Bank A in assessment year 2025. Bank A will be required to submit its revised RTID for assessment year 2025 together with its certification, as well as remit the unpaid premium payable to PIDM including the overdue charge within fourteen (14) days from the date of the Notice of Error.

The computation of the unpaid premium including the overdue charge is illustrated below.

(a)	Unpaid premium	RM54,500
(b)	Due date of annual premium payment	31 May 2025
(c)	Notice of Error issued by PIDM	27 June 2025
(d)	Resubmission of RTID & remittance of unpaid premium	29 June 2025
(e)	Number of days elapsed [(d) – (b)]	29 days
(f)	Overdue charge calculation [(a) x 10% x (e)/365]	RM54,500 X 10% X [29/365 days] = RM433
(g)	Total of unpaid premium and overdue charge for Bank A [(a) + (f)]	RM54,933

The total unpaid premium and overdue charge of RM54,933 is remitted to PIDM. Bank A is required to appoint an external auditor to perform an independent validation on the revised RTID based on the requirements set out in the Guidelines. The assurance report of the independent validation and the detailed action plan together with the proposed timeline to rectify the exception(s) noted shall be submitted to PIDM within one hundred and fifty (150) days from the date of the Notice of Error. All reports are required to be addressed and tabled to Bank A's Audit Committee, prior to the submission to PIDM.

Subsequently, additional errors were identified by the external auditor in Bank A's revised RTID, which resulted in further unpaid premium of RM50,000. Bank A is required to rectify the errors and submit the revised RTID to PIDM together with the unpaid premium including the overdue charge within one hundred and fifty (150) days from the date of the Notice of Error as illustrated in the table below:

(a)	Unpaid premium	RM50,000
(b)	Due date of annual premium payment	31 May 2025
(c)	Notice of Error issued by PIDM	27 June 2025
(d)	Resubmission of RTID & remittance of unpaid premium	14 November 2025



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	DI/GL1-A6/2024 (TID)	<b>Issued on</b>	12 December 2024
<b>TITLE</b>	Guidelines on Total Insured Deposits, Premiums and Validation Programme		

(e)	<i>Number of days elapsed [(d) – (b)]</i>	<i>167 days</i>
(f)	<i>Overdue charge calculation [(a) x 10% x (e)/365]</i>	<i>RM50,000 X 10% X [167/365 days] = RM2,288</i>
(g)	<i>Total of unpaid premium and overdue charge for Bank A [(a) + (f)]</i>	<i>RM52,288</i>

The further unpaid premium and overdue charge of RM52,288 is remitted to PIDM.

[End]