

Frequently Asked Questions (“FAQs”)

- (a) Guidelines on Provision of Information on Deposit Insurance dated 18 May 2022 (“Information Guidelines 2022”)
- (b) Malaysia Deposit Insurance Corporation (Provision of Information on Deposit Insurance) Regulations 2011 (*no change*)
- (c) Malaysia Deposit Insurance Corporation (Provision of Information on Deposit Insurance)(Amendment) Regulations 2019 (*no change*)

Last updated: 16 October 2023

Introduction

1. What are the key changes made in the Information Guidelines 2022?

The key changes made in the Information Guidelines 2022 are consequential to the recent amendments to the Malaysia Deposit Insurance Corporation Act 2011 (“PIDM Act”). PIDM Act has recently been amended by the Malaysia Deposit Insurance Corporation (Amendment) Act 2022 [Act A1647]. The amendments that come into operation on 22 February 2022 include –

- (a) the alignment of the definition of “conventional deposit” under the PIDM Act with the definition of “deposit” under subsection 2(1) of the Financial Services Act 2013 (“FSA 2013”);
- (b) the alignment of the definition of “Islamic deposit” under the PIDM Act with the definition of “Islamic deposit” under subsection 2(1) of the Islamic Financial Services Act 2013 (“IFSA 2013”);
- (c) the introduction of the definition of “Investment Account” which has the same meaning under subsection 2(1) of the IFSA 2013; and
- (d) the exclusion of investments linked to derivatives (“ILD”) product from the scope of coverage pursuant to subsection 41(1) PIDM Act.

Arising from the above, Perbadanan Insurans Deposit Malaysia (“PIDM”) has also updated the disclosure requirements of the Information Guidelines 2022. The key changes to the disclosure requirements under the Information Guidelines 2022 are:

- (a) enhanced the definition of “non-deposit product” where the disclosure requirements for deposit are no longer applicable to Investment Account and certain ILD product¹; and
- (b) streamlined the disclosure requirements for deposit-taking member (“DTM”) who is a bancatakaful or bancassurance partner of PIDM’s insurer member to the Takaful and Insurance Benefits Protection System (TIPS) Disclosure Requirements, upon coming into force.²

¹ ILD product is a “deposit” if it falls under the definition of “conventional deposit” or “Islamic deposit” under the PIDM Act. Otherwise, it is a “non-deposit product” for the purpose of Information Guidelines 2022.

² Please refer to Guidelines on Provision of Information on Takaful and Insurance Benefits Protection (27 July 2022). The TIPS Disclosure Requirements comes into operation on 1 June 2024.

Consequential disclosure requirements arising from the enhancement to the definition of “deposit” (paragraph 3.1 and section 4 onwards)

2. With the introduction of the definition of “Investment Account” in the PIDM Act, are disclosure requirements under the Information Guidelines 2022 still applicable to Investment Account?

With the alignment of the definition of “Islamic deposit” under the PIDM Act with the definition of “Islamic deposit” under IFSA 2013, “Investment Account” as defined under IFSA 2013 (“Investment Account”) would **no longer be a deposit within the definition of “Islamic deposit” under the PIDM Act**. Accordingly, the disclosure requirements that are applicable to deposit,³ including an advertisement containing information on deposit, an instrument evidencing deposit, as well as at the point of sale of a deposit, would no longer be applicable to “Investment Account”, as a non-deposit product.

Notwithstanding, the DTM shall comply with other disclosure requirements applicable to non-deposit product, including disclosure requirements for first time purchase of a new non-deposit product (including Investment Account) and subsequent purchase of a non-deposit product (including Investment Account), as specified in paragraphs 10.7 to 10.20 of the Information Guidelines 2022.

A DTM is allowed and encouraged to retain the membership representation, insurability statement and / or request for acknowledgment, as applicable, in issued or existing supplies of advertisements, instruments, acknowledgment sheets / webpage or any documents relating to Investment Account, provided that a correct representation on the insurability status of Investment Account, that it is not protected by PIDM, is made by using one of the insurability statements specified in paragraph 7.1(b).

3. With the exclusion of ILD product from the scope of coverage pursuant to subsection 41(1) PIDM Act, are disclosure requirements under the Information Guidelines 2022 still applicable to ILD product?

Yes. The applicability of the disclosure requirements under the Information Guidelines 2022 depends on whether an ILD product falls within the definition of “deposit” under the PIDM Act or not.

(A) New ILD product issued on or after 22 February 2022

(a) New ILD product that falls within the definition of “deposit”

For a new ILD product that falls within the definition of “deposit” and specified as an “excluded deposit”,⁴ a DTM shall comply with all disclosure requirements under the Information Guidelines 2022 that are applicable to deposit.

³ For the purpose of this FAQ and disclosure requirements under the Information Guidelines 2022, “deposit” includes “conventional deposit” and “Islamic deposit”.

⁴ Please refer to Guidelines on Deposit Insurance Coverage for Deposits.

(b) New ILD product that does not fall within the definition of “deposit”

For a new ILD product that does not fall within the definition of “deposit”, the disclosure requirements under the Information Guidelines 2022 that are applicable to deposit, including an advertisement containing information on deposit, an instrument evidencing deposit, as well as at the point of sale of a deposit, would no longer be applicable to ILD product, as a non-deposit product.

Notwithstanding, the DTM shall comply with other disclosure requirements applicable to non-deposit product, including disclosure requirements for first time purchase of a new non-deposit product (including ILD product that is a non-deposit product) and subsequent purchase of a non-deposit product (including ILD product that is a non-deposit product), as specified in paragraphs 10.7 to 10.20 of the Information Guidelines 2022.

(B) Existing ILD product issued prior to 22 February 2022

(c) Existing ILD product certified as “insured deposit” by PIDM

For existing ILD product that was certified as “insured deposit” by PIDM, such ILD product shall continue to be insured by PIDM, until they reach maturity, are fully withdrawn or are otherwise terminated, whichever is earlier.

Accordingly, a DTM shall continue to comply with all disclosure requirements that are applicable to “insured deposit” in the Information Guidelines 2022.

(d) Existing ILD product certified as “uninsured deposit”⁵ by PIDM

For existing ILD product that was certified as “uninsured deposit” by PIDM, such ILD product would be **a non-deposit product as it no longer falls within the definition of “deposit”**. Hence, the disclosure requirements that are applicable to “uninsured deposit”, including an advertisement containing information on deposit, an instrument evidencing deposit, as well as at the point of sale of a deposit, would no longer be applicable to ILD product, as a non-deposit product.

Notwithstanding, the DTM shall comply with other disclosure requirements applicable to non-deposit product, including disclosure requirements for first time purchase of a new non-deposit product (including ILD product that is a non-deposit product) and subsequent purchase of a non-deposit product (including ILD product that is a non-deposit product), as specified in paragraphs 10.7 to 10.20 of the Information Guidelines 2022.

A DTM is allowed and encouraged to retain the membership representation, insurability statement and / or request for acknowledgment, as applicable, in issued or existing supplies of advertisements, instruments, acknowledgment sheets / webpage or any documents relating to such uninsured ILD product, provided that a correct representation on the insurability status of such ILD product, that it is not protected by PIDM, is made by using one of the insurability statements specified in paragraph 7.1(b).

⁵ Includes “excluded deposit”.

Definition of “social networking site” (paragraph 3.1)

4. What is the enhancement in the definition of “social networking site”?

The definition of “social networking site” remain the same as “any online platform that allows users to connect with others and share information”. Notwithstanding, in view of the growing trend for DTMs to promote the sale of deposit products via Instagram, **the list of social networking site is now expanded to include Instagram**, which was excluded previously.

Accordingly, where a DTM has an Instagram account for the purpose of providing information on its deposit, or promoting or offering the sale of its deposits, or advertising a post containing information on deposit, the DTM shall comply with the relevant disclosure requirements in the Information Guidelines 2022.

Disclosure requirements on mobile application for a DTM that does not have a physical head office, headquarter or branch (paragraph 6.2A)

5. With the newly added disclosure requirements on mobile application, is there a specific manner in which the deposit insurance information materials should be displayed on the mobile application?

Yes. The deposit insurance information materials shall be displayed on the mobile application in the following manner:

- **Membership representation** : either in graphical or statement form; and
- **Deposit Insurance System (DIS) Brochure and List of Insured Deposits (“List”)** : hyperlink(s) to the page(s) within the mobile application or its website where electronic copies of these information materials are displayed.

A DTM may display the information materials at the homepage of its mobile application or such other page or location within the mobile application, provided that the information materials are of such size and print that are clearly legible.

Inclusion of different branding or marketing name(s) within List (paragraph 5.10)

[Updated 16 October 2023]

6. If a registered deposit product is offered under a different branding or marketing name after registration with PIDM, how should these information be included in the List?

Some DTMs are offering deposit products under a different branding or marketing name(s) as compared to the product names registered with PIDM. In this regard, a DTM is to include in its List the branding or marketing name(s) used in its offering of these deposit product(s). This enables the customers to identify the different branding or marketing name(s) from the List and ascertain the insurability status of the products. This disclosure would provide greater clarity to the customers.

The different branding or marketing name(s) is to be placed in the List in a manner deemed appropriate by the DTM provided it is clearly legible and makes clear the correlation with the deposit product registered with PIDM. Refer to Illustration 1 for examples on the options (in blue font) in relation to the placement of the different branding or marketing name(s) in the List.

The different branding or marketing name(s) can be included in the following manner:

- (a) within the same cell of the Deposit Product Name (item 1, 5 and 6 in Illustration 1);
- (b) as a separate note (item 3 and 4 in Illustration 1); or
- (c) in a separate column titled “Branding / Marketing Name(s)” within the table.

Illustration 1: Examples on placement of different branding or marketing name(s)

ABC BANK				
LIST OF INSURED DEPOSITS				
	Deposit Product Name	Product Code	Deposit Type	Currency
1.	ABC Basic Savings Account <i>[also known as: ABC Junior Savings Account, ABC Teenage Savings Account]</i>	0201CR0200000001	Savings Deposit	Ringgit Malaysia
2.	ABC Smart Savings Account	0201CR0200000002	Savings Deposit	Ringgit Malaysia
3.	ABC Company Current Account ¹	0201CR0100000003	Demand Deposit	Ringgit Malaysia
4.	ABC Foreign Currency Account ²	0201CF0100000004	Demand Deposit	Foreign Currency
5.	ABC Fixed Deposit	0201CF0300000005	Fixed Deposit	Foreign Currency
	<i>ABC Digital Fixed Deposit</i>			
	<i>ABC e-Fixed Deposit</i>			
6.	Fixed Deposit 55 / <i>XYZ Fixed Deposit 55</i>	0201CM0300000006	Fixed Deposit	Ringgit Malaysia & Foreign Currency

Deposit product branding or marketing names

¹ABC SME Current Account

²ABC SME Foreign Currency Account

7. Are DTMs required to update the List for existing deposit products offered with different branding or marketing names? (paragraph 5.10)

[Updated 16 October 2023]

Yes, a DTM is required to include in the List any new, different or additional name(s) assigned to all deposit products registered with PIDM, as and when it is offered to customers.

For existing active deposit products which are registered with PIDM (up to 16 October 2023), a DTM is expected to update the List, as soon as practicable but **no later than the date of submission of its annual review of compliance report due on 30 April 2024.**

Advertisement that contains a non-deposit product(s) (paragraph 8.5); and Purchase of or transfer to a takaful or insurance product (paragraphs 10.12 and 10.18)

8. Pending coming into force of the TIPS Disclosure Requirements on 1 June 2024, is there any change to the current disclosure requirements for a DTM who is a bancatakaful or bancassurance partner of PIDM's insurer member?

[Updated 16 October 2023]

No. The current disclosure requirements, as specified in the Information Guidelines 2022, remain the same, until the coming into force of the TIPS Disclosure Requirements on 1 June 2024.

Notwithstanding, a DTM who is a bancatakaful or bancassurance partner of PIDM's insurer member and offers bancatakaful or bancassurance products, is encouraged to early adopt the disclosure requirements, as specified in the TIPS Disclosure Requirements. The DTM is to liaise with the respective insurer member(s) to prepare for its disclosure obligations and, ensure provision of correct and complete information in relation to the bancatakaful or bancassurance products.

Opening of a trust account (paragraph 9.7)

9. What are the disclosure requirements that are applicable to an insured trust account before the opening of such account?

Where an insured deposit is a trust account, in addition to the requirements specified in section 9 of the Information Guidelines 2022, a DTM shall, immediately before the opening of the trust account, **inform the prospective customer who acts as a trustee of his following obligation** under the Joint and Trust Regulations 2022⁶ –

A trustee opening a trust account OTHER THAN for the purpose of e-money scheme	A trustee opening a trust account for the purposes of an e-money scheme
A trustee to:	A trustee to:
<p>(1) Submit the following information and document to the DTM, on opening of trust account:</p> <ul style="list-style-type: none"> • a statement that the deposit in trust account is held in trust by the trustee; • the name, address and identity card number or passport number of the trustee or any other identification of the trustee which is acceptable to the DTM; and • the beneficiary's details; 	<p>(1) Submit the following information and document to the DTM on opening of trust account:</p> <ul style="list-style-type: none"> • a statement that the deposit in trust account is held in trust by the trustee; • the name, address and identity card number or passport number of the trustee or any other identification of the trustee which is acceptable to the DTM; and • any supporting documentation that is acceptable to the DTM that evidences the deposit in the trust account is held in trust by the trustee for the purposes of the e-money scheme and the issuer of the electronic money is an approved issuer by Bank Negara Malaysia under section 11 of the FSA 2013 or section 11 of the IFSA 2013 to issue the electronic money;
<p>(2) Maintain detailed records of the beneficiary's details which are necessary to be updated from time to time; and</p>	<p>(2) Maintain detailed records of the beneficiary's details which are necessary to be updated from time to time; and</p>
<p>(3) Submit the beneficiary's details and the beneficiary's records which are updated from time to time, to PIDM or to DTM.</p>	<p>(3) Submit the beneficiary's details and the beneficiary's records which are updated from time to time, to PIDM or to DTM.</p>

⁶ Refer to the Malaysia Deposit Insurance Corporation (Disclosure Requirements for Trust Accounts and Joint Accounts) Regulations 2012 as amended by the Malaysia Deposit Insurance Corporation (Disclosure Requirements for Trust Accounts and Joint Accounts) (Amendment) Regulations 2022 that comes into operation on 1 July 2022.

Training for agents and employees (*section 12*)

10. Is the training requirement applicable to call centre / helpdesk agents and employees that handle customer calls and enquiries (*paragraph 12.1*)?

No. It is not mandatory to provide training to call centre / helpdesk agents and employees if they do not deal directly with customers or prospective customers for the opening of any deposit accounts or the purchase of any deposits, or purchase of any non-DTM products.

Notwithstanding, a DTM is encouraged to provide training to such agents and employees to ensure that they provide true, correct and complete information or representations regarding deposit insurance to its customers.

11. Is there an expectation for the DTM to conduct training session arising from changes to the disclosure requirements in the Information Guidelines 2022 (*paragraph 12.2(b)*)?

As stated in Question 1 above, the key changes to the Information Guidelines 2022 are consequential to the recent amendments to the PIDM Act, and other subsidiary legislation. A DTM is not expected to conduct a separate training session to the relevant agents and employees on these changes.

Notwithstanding, a DTM is encouraged to provide a refresher session to the relevant agents and employees on the key changes, as soon as practicable, particularly on the disclosure requirements in relation to an Investment Account, ILD product, trust account, and bancatakaful or bancassurance product. This is to ensure that they provide true, correct and complete information or representations regarding deposit insurance to its customers.

12. Is there a specific frequency to conduct a refresher session to the relevant agents and employees (*paragraph 12.4*)?

No. There is no specific duration or timeline specified by PIDM. A DTM is given the flexibility to determine the appropriate frequency for such refresher session.

Other than the scenario stated in Question 11 above, a DTM, in determining the training needs and frequency, may take into considerations, amongst others, the number of non-compliances to the Information Guidelines that are attributable to the agents' or employees' understanding, change in employees job scope (for example, to a more customer facing role) or cases of customer complaints relating to awareness or knowledge of such agents or employees on PIDM and / or deposit insurance system.

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Phone Number Change Notice

Please direct all enquiries related to the Information Guidelines 2022 to:

03 2303 0498 or policyenquiry@pidm.gov.my