



Perbadanan Insurans Deposit Malaysia  
Malaysia Deposit Insurance Corporation

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FOR IMMEDIATE RELEASE

### **New Deposit Insurance Limit At RM250,000**

***Kuala Lumpur, 30 December 2010:*** The new Perbadanan Insurans Deposit Malaysia (PIDM) Bill 2010 to implement the enhanced financial consumer protection package has been passed in Parliament.

The Bill, which comes into operation on 31 December 2010, was approved by both Dewan Rakyat and Dewan Negara in the recent Parliamentary sitting.

On 11 May 2010, the Prime Minister Dato' Sri Mohd Najib bin Tun Haji Abdul Razak, who is also Finance Minister, had announced the increase of the deposit insurance limit to RM250,000 by 1 January 2011 and the Government's intention to bring forward legislation to enable the increase to be implemented.

The limit of RM250,000 per depositor per member bank will protect 99% of retail depositors in full. In addition, under the new Bill, foreign currency deposits will now enjoy deposit insurance protection.

The enhanced financial consumer protection package also includes the expansion of PIDM's mandate to include the administration of the Takaful and Insurance Benefits Protection System (TIPS). TIPS is an explicit, limited Government protection system which covers takaful and insurance benefits and will be administered broadly along the same approach as provided for in the current deposit insurance system.

Licensed insurance companies and registered takaful operators ("insurer members") will automatically become member institutions of PIDM. In addition, the Bill includes powers for PIDM to intervene in or resolve troubled insurer members and ensure prompt payments to claimants under the policies or takaful certificates protected under TIPS.

The Bill, when enacted, will replace the PIDM Act 2005, and will widen PIDM's mandate, roles and responsibilities, and provide it with a wider toolkit to fulfil its mandate to protect depositors in the event of a member institution failure.

PIDM is the Government agency mandated by Parliament to protect depositors against the loss of their funds in the event of a member bank failure. Member banks comprise

all commercial and Islamic banks, including locally incorporated foreign banks, in Malaysia.

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#### **ABOUT PIDM**

**PIDM administers the statutory deposit insurance system in Malaysia that protects depositors automatically. In the unlikely event of a member bank failure depositors will be reimbursed promptly on their insured deposits.**

**For further information:**

- **Call 1-800-88-1266, 8.30am to 5.30pm on Monday – Friday (excluding public holidays)**
- **Email: [info@pidm.gov.my](mailto:info@pidm.gov.my)**
- **Visit: [www.pidm.gov.my](http://www.pidm.gov.my)**