



Chung (2nd left) and Sabourin (2nd right) at the signing ceremony in Petaling Jaya yesterday.

PIDM, Cagamas tie-up to strengthen consumer protection

PETALING JAYA: Perbadanan Insurans Deposit Malaysia (PIDM) has signed an agreement with Cagamas Bhd (Cagamas) as part of its contingency plans to ensure PIDM's operational readiness.

In a statement yesterday, PIDM said the collaboration is one of several alternative funding arrangements to ensure that it has access to readily available funds should the need to arise in future.

Funds will be sourced from Cagamas' debt securities issuance to the capital market.

"This cooperation with Cagamas complements the various initiatives undertaken by PIDM to ensure that it is ready to intervene or resolve a troubled member institution promptly as part of its mandate to maintain financial system stability.

"Operational readiness and effectiveness are areas that are critical to the achievement of PIDM's mandate and strengthening financial consumer protection," said PIDM CEO Jean Pierre Sabourin.

Under the Malaysia Deposit Insurance Corporation Act (PIDM Act) 2011, the corporation is the resolution authority in Malaysia for member banks and insurer members, and has at its disposal a range of legislative powers to intervene early in distressed member institutions to mitigate the possibility of a failure.

"Cagamas is one of the earliest established secondary mortgage corporations in the region and we are enhancing our role with new initiatives such as our collaboration with PIDM," said Cagamas president and CEO Chung Chee Leong.