

PIDM collaborates with Cagamas to ensure operational readiness

KUALA LUMPUR: The Malaysia Deposit Insurance Corp (PIDM) has signed an agreement with Cagamas Bhd to ensure operational readiness.

The collaboration is one of several alternative funding agreements to ensure the corporation has access to readily available funds should the need arise.

"It complements the various in-

itiatives undertaken by the PIDM to ensure it is ready to intervene in a troubled member institution promptly as part of the mandate to maintain financial system stability.

"Operational readiness and effectiveness are areas critical to the achievement of PIDM's mandate and strengthening financial consumer protection," PIDM chief executive officer Jean

Pierre Sabourin said in a statement yesterday.

Meanwhile, Cagamas president and chief executive officer Chung Chee Leong said the collaboration would serve to strengthen the contribution of both entities to the financial industry. Sabourin and Chung signed the agreement.

PIDM administers the statutory deposit insurance system and

the takaful and insurance benefits protection system in Malaysia. Through these systems, eligible banks deposits and takaful and insurance benefits are protected under the law.

Cagamas was established to promote the broader spread of house ownership and growth of the secondary mortgage market in Malaysia. — *Bernama*