

GOVERNMENT NOTICE NO. 66

DEPOSIT INSURANCE CORPORATION ACT

(No. 10 OF 2022)

APPOINTMENT OF BOARD MEMBERS OF THE DEPOSIT INSURANCE
CORPORATION

IN EXERCISE of powers conferred by section 4(2) of the Deposit Insurance Corporation Act, 2022, the following persons have been appointed as members of the Board of the Deposit Insurance Corporation with effect from 1st October, 2023—

- (a) Dr. Jacob Mazalale;
- (b) Dr. Gabriella Chiutsi Phiri;
- (c) Mr. Gift Nanuleni Mwase;
- (d) Mr. Abison Chikondi Chitukula;
- (e) Mr. Simeon Matope;
- (f) The Secretary to the Treasury or his duly designated representative as an *ex officio* member; and
- (g) the Governor of the Reserve Bank of Malawi or his duly designated representative as an *ex officio* member.

Made this 10th day of November, 2023.

S. CHITHYOLA

(FILE NO: FIN/PFSPD/02/12)

Minister of Finance and Economic Affairs

GOVERNMENT NOTICE NO. 67

DEPOSIT INSURANCE CORPORATION ACT

(No. 10 OF 2022)

DEPOSIT INSURANCE REGULATIONS, 2023

IN EXERCISE of the powers conferred under section 58 of the Deposit Insurance Act, 2022, I, SIMPLEX CHITHYOLA, Minister of Finance and Economic Affairs, make the following Regulations—

1. These Regulations may be cited as the Deposit Insurance Regulations, 2023.
2. In these Regulations, unless the context otherwise requires—
 - “Corporation” means the Deposit Insurance Corporation;
 - “insured institution” means a licensed bank that is a member of the deposit insurance scheme; and
 - “senior management official” includes—

Interpretation

- (a) an executive officer;
- (b) an official who reports either directly to the board of directors or to a committee of the board of directors or to an executive officer;
- (c) a branch manager of an insured institution that the Registrar of Financial Institutions declares as a senior management official; or
- (d) an officer the Registrar of Financial Institutions declares as a senior management official.
- Objectives
3. The objectives of these Regulations are to provide for—
- (a) reporting and submission of data of the depositors to the Corporation;
- (b) determination and calculation of premiums to be paid by each insured institution;
- (c) determination and calculation of the correct amount of insured deposits for each depositor when a member institution fails; and
- (d) public awareness of deposit insurance.
- Functions of an insured institution
4. An insured institution shall—
- (a) put in place policies and procedures to ensure that the insured institution has the capabilities to comply with these Regulations;
- (b) review the effectiveness of the policies and procedures at least once every two years and as and when required;
- (c) formulate information pertaining to significant risks that could impact ongoing compliance with these Regulations to the Corporation in a timely manner;
- (d) put in place controls to ensure that data held by the insured institution is accurate, complete, and timely submitted to the Corporation; and
- (e) ensure that all the data on deposit liabilities provided or made available to the Corporation is consistent with the records of the insured institution.
- Membership of banks to the deposit insurance scheme
- 5.—(1) A licensed bank shall be a member of the deposit insurance scheme in accordance with section 23 (2) of the Act.
- (2) The Corporation shall issue a certificate of membership to an insured institution.
- (3) An insured institution shall display a copy of the certificate of membership at a conspicuous place at the main office of the institution, and at each branch office, agency or outlet of the institution.
- Public awareness
- 6.—(1) An insured institution shall formulate a communication strategy to promote public awareness of deposit insurance.
- (2) All radio and television adverts made by an insured institution shall contain a statement that its deposits are protected by the Deposit Insurance Corporation.

7.—(1) An insured institution shall, in respect of every insured deposit that it offers or holds for insured depositors, state clearly in legible font that the insured deposit is covered under the deposit insurance scheme up to the limits prescribed under the Act.

Insured
deposit
information

(2) The information in subregulation (1) shall be displayed in all marketing materials, account opening forms and account statements for such deposits, whether in electronic, print or other forms.

8.—(1) An insured institution shall display materials provided by the Corporation at its public entrance, exit doors, adjacent to its teller station in its banking hall, digital platforms and in any other conspicuous place.

Display of
Corporation
materials at
insured
institutions

(2) Every insured institution shall display the statement “Deposit protected by the Deposit Insurance Corporation” on its website, official stationery and print advertising.

9.—(1) An insured institution shall maintain a robust management information system that allows for—

Deposit
liabilities
information
system

(a) name-based aggregation of deposits held by the same depositor; and

(b) maintenance of deposit liabilities’ register, in the form prescribed in *First Schedule* hereto, that enables the Corporation to—

(i) identify and contact each depositor;

(ii) ascertain their preferred language and their place of residence;

(iii) identify and group deposit liabilities by account type;

(iv) the Corporation to calculate the amount of insured deposits for each depositor; the calculation of interest accrued and payable in relation to each deposit liability as of the determination date; and

(v) prevent withdrawals of deposit liabilities or any portion thereof according to account type immediately after receiving instructions from the Corporation.

(2) An insured institution shall, within thirty days after the end of each quarter, submit to the Corporation a copy of the deposit register.

10. In line with section 25 (1) and (2) of the Act, an insured institution shall submit to the Corporation applicable deposit liabilities in accordance with *Second Schedule* hereto by 30th March of each year.

Submission
of deposit
liabilities by
insured
institutions

11. The Corporation may conduct on-site examinations on an insured institution to verify that data on depositors is adequately maintained.

On-site
examinations
for depositor
data
verification

12.—(1) In addition to deposits stipulated in section 24 (1) of the Act, the following deposits shall not be insured—

Uninsured
deposits

(a) a deposit for which a depositor has not been identified;

(b) a deposit that belongs to a senior management official of the insured institution; and

(c) a deposit held in a foreign branch of a bank or a subsidiary of that bank operating in a foreign country.

(2) A deposit held in a bank by an entity, partnership or individual in trust for clients or beneficiaries shall be insured as one deposit account.

Payment
of claims

13. The Corporation shall make payment to a depositor based on the records of the insured institution.

Termination
of interest
payments
post licence
revocation

14. The Corporation shall not pay any interest on insured amounts after the date of revocation of the licence.

Additional
payment
channels

15. In addition to payment channels stipulated in section 30 (7) of the Act, the Corporation may make payments through mobile money platforms.

Depositor
payment and
set-off rights

16. The Corporation shall pay a depositor up to the insured amount unless the contract with the depositor gives the insured institution the right to set-off in respect of the depositor's liability to the institution.

Aggregation
of joint
account
shares with
other deposits

17.—(1) The share in the joint account for each party shall be aggregated with other deposits accounts held at the same insured institution.

(2) For purposes of calculating the insured amount, each person's share of the joint account shall be considered to be equal unless otherwise stated in the bank's records.

Enforcement

18.—(1) The Corporation may impose the following monetary penalties for violations of these Regulations—

(a) for insured institutions, up to K100,000,000; and

(b) for natural persons who are members of the board of directors or senior management, up to K20,000,000.

(2) In addition to the monetary penalty imposed in regulation 18 (1), the Corporation may impose other forms of administrative penalties as provided for under the Act.

(3) With respect to an insured institution, the penalty shall be debited from the main account of the bank maintained at the Reserve Bank of Malawi:

Provided that the Corporation shall notify the bank and the Reserve Bank of Malawi in writing prior to debiting the account.

(4) With respect to natural persons, the natural person shall pay the penalty through an electronic funds transfer to the Corporation within twenty-one days after being notified of the violation by the Corporation.

FIRST SCHEDULE

(reg. 9(b))

DEPOSIT LIABILITIES' REGISTER

Depositor Information on Insured Accounts

ITEM

Name of Individual (name as shown on official identification)	.....
Customer identification number	.....
Type of depositor	.....
Gender	.....
Date of birth	.....
Email address (if applicable)	.....
Registration number	.....
Name of official opening account	.....
Address	.....
Telephone number and type (land-line, mobile)	.....
Deposit account type	.....
Account number	.....
Account balance	.....
Account status	.....
Term on account	.....
Date account opened	.....
Interest rate on account	.....
Accrued interest	.....
Ownership on account	.....
Percentage of ownership for multiple account holders	.....
Loans held by depositors at bank	.....
Name on loans in addition to name of account holders	.....
Past due loans held by depositors	.....
Amount of loan outstanding	.....
Value of loans for which the bank has a lien	.....

SECOND SCHEDULE

(reg. 10)

APPLICABLE DEPOSIT LIABILITIES

Name of Bank:		
Date:		
	<i>MK'000</i>	<i>MK'000</i>
Total Deposits		-00
Less: Insider Deposits	-00	
Interbank Deposits	-00	
Government Deposits	-00	
Deposits held as collateral for loans over which the bank has lien	-00	
Other *	-00	-00
Applicable Deposits	-00	
Base Premium Rate	0.00%	-00
Risk Premium Rate	0.00%	-00
Total Premium Payable		-00

* "Other" refers to the list of uninsured deposits prescribed in regulation 12 (1).

Made this 10th day of November, 2023.

(FILE NO: FIN/PFSPD/02/12)

S. CHITHYOLA
Minister of Finance and Economic Affairs

GOVERNMENT NOTICE NO. 68

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(NO. 10 OF 2022)

BASE PREMIUM RATE

IN ACCORDANCE with section 25(1) of the Deposit Insurance Corporation Act, 2022, the Deposit Insurance Corporation prescribes 0.2 per cent of the applicable deposit liabilities as the applicable base premium rate.

Made this 14th day of November, 2023.

(FILE NO: FIN/PFSPD/02/12)

DR. J. MAZALALE
Chairperson
Deposit Insurance Corporation