



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

# Product Transparency and Disclosure

## Applicable to:

1. Licensed banks, including digital banks
2. Licensed Islamic banks, including Islamic digital banks
3. Licensed insurers
4. Licensed takaful operators
5. Prescribed development financial institutions
6. Approved insurance brokers and takaful brokers
7. Approved financial advisers and Islamic financial advisers
8. Approved issuers of designated payment instrument and designated Islamic payment instrument

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## PART A OVERVIEW

### 1 Introduction

- 1.1 As financial products become more diverse and complex to address the varying needs of financial consumers, the ability of financial consumers to understand the features and characteristics to assess product suitability and risks becomes more challenging. Consequently, there is a need to enhance product specific transparency and disclosure to facilitate sufficient understanding by financial consumers so that they can make informed decisions. Given the greater use of financial products, financial consumers need to be provided with relevant, timely, reliable and comparable information that enable them to select financial products that best meet their financial circumstances and needs.
- 1.2 This Policy Document contains specifications on minimum requirements for enhanced consistency and comprehensive transparency aimed at improving information disclosure on financial products offered by financial service providers (“FSPs”).
- 1.3 This Policy Document sets out the timing and content on disclosure of information on financial products to financial consumers.
- 1.4 The objectives of this Policy Document are to-
  - a) promote financial consumers' awareness and understanding of financial products offered by FSPs;
  - b) ensure consistency in disclosure of essential information on financial products to enable comparison by financial consumers;
  - c) minimise mis-selling of financial products and ensure that financial products sold are suitable to the needs and financial circumstances of financial consumers;
  - d) promote informed decision-making by financial consumers; and
  - e) facilitate financial consumers in safeguarding their own best interests.

### 2 Applicability

- 2.1 This Policy Document is applicable to FSPs as defined in paragraph 5.2, except for limited purpose e-money issuers (EMIs).
- 2.2 This Policy Document is applicable to financial products developed or offered by a FSP, either directly or through the FSP's intermediaries, to individuals, micro and small enterprises (collectively referred to as 'financial consumers'). FSPs are encouraged to adopt similar disclosure standards for other types of customers. However, the disclosure requirements for Negotiable Instruments of Deposit and Islamic Negotiable Instruments apply to both financial consumers and institutional customers.
- 2.3 Limited purpose EMIs are encouraged to adopt the disclosure requirements under Schedule III.

### 3 Legal provisions

- 3.1 The requirements in this Policy Document are specified pursuant to-(a) sections 123(1) and 123(3) of the Financial Services Act 2013 (FSA);(b) sections 135(1) and 135(3) of the Islamic Financial Services Act 2013 (IFSA); and(c) sections 42C(1) and 42C(3) of the Development Financial Institutions Act 2002 (DFIA).
- 3.2 The guidance in this policy document is specified pursuant to section 266 of the FSA, section 277 of the IFSA and section 126 of the DFIA.

### 4 Effective date

- 4.1 This Policy Document comes into effect on 2 December 2024, except for the following paragraphs which shall come into effect on the dates set out below-(a) Paragraph 11 which comes into effect on 1 January 2026;(b) Paragraph 12 which comes into effect on 1 July 2025;(c) Paragraphs 16.1 to 16.9, 16.12, 16.13 and 16.14 which come into effect on 1 July 2025 for new products;(d) Paragraphs 16.1 to 16.9, 16.12, 16.13 and 16.14 which come into effect on 1 January 2026 for existing products.

### 5 Interpretation

- 5.1 The terms and expressions used in this Policy Document shall have the same meanings assigned to them in the FSA, IFSA or DFIA, as the case may be, unless otherwise defined in this Policy Document.
- 5.2 For the purpose of this Policy Document-

**“S”** denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretive, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;

**“G”** denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted;

**“advertisement”** refers to the disseminating or conveying of information, invitation or solicitation by any means or in any form including oral and written communication by means of print, electronic and any other media;

**“Board”** refers to the board of directors of a FSP, including a committee of the Board where the responsibilities of the Board set out in this Policy Document have been delegated to such a committee. However, the Board remains fully accountable for any authority and responsibilities delegated to such committee;

**“customer”** refers to any person who uses, has used or may be intending to use<sup>1</sup> any financial product including-

- (a) a representative of the customer (such as the parents of a minor child or authorised representative<sup>2</sup> of the customer); and
- (b) a person who has entered into or intends to enter into an agreement or arrangement with a FSP (such as a guarantor or third-party security provider) on account of or for the benefit of a customer;

**“customer information”** refers to any document or information relating to the affairs or account of any customer of any FSP in whatever form;

**“digital channel”** refers to any digital or electronic means that enable the marketing and selling of financial products as well as the provision of information to financial consumers, which includes but is not limited to:

- (a) email;
- (b) Short Message Service (SMS);
- (c) a particular application such as a mobile application;
- (d) online platform;
- (e) instant messaging services such as WhatsApp, Telegram, WeChat;
- (f) social media; and
- (g) website;

regardless of whether the digital channel is operated, administered or maintained by the FSP;

**“digital advertisement”** refers to any form of advertisement or marketing of financial products via a digital channel;

**“e-banking”** refers to the provision of banking products and services through electronic channels, including via the internet, mobile devices, telephone, and automated teller machine;

**“financial consumer”** refers to any person-

- (a) who uses, has used or may be intending to use any financial product:
  - (i) for personal, domestic or household purposes; or
  - (ii) in connection with a micro and small business as defined in the Guideline for SME Definition issued by the SME Corporation Malaysia<sup>3</sup>; or
- (b) insured under a group policy or covered under a group takaful certificate where the premiums or contributions are paid by the person insured or the person covered, as the case may be;

**“financial group”** refers to entities within the same financial group as the FSP which are involved in the promotion, sale, delivery and distribution of financial products;

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<sup>1</sup> Any person who may be intending to use refers to a potential customer who has provided his/her information to the FSP for purposes of using the FSP’s financial product, including a person who subsequently withdraws his/her application or whose application has been rejected by the FSP.

<sup>2</sup> Any person authorised by a customer to act on his/her behalf, for example, a trustee, someone with power of attorney, a legal guardian or an insurance agent authorised by a customer.

<sup>3</sup> Issued in 2013, including any amendments or modifications made thereof.

**“financial product”** refers to financial product or service developed or offered by FSPs (either directly or through another person) and financial product or service marketed by a FSP on behalf<sup>4</sup> of another FSP;

**“financial service provider” or “FSP”** refers to-

- (a) a licensed bank;
- (b) a licensed digital bank;
- (c) a licensed Islamic bank;
- (d) a licensed digital Islamic bank;
- (e) a licensed insurer;
- (f) a licensed takaful operator;
- (g) a prescribed development financial institution;
- (h) an approved insurance broker;
- (i) an approved takaful broker;
- (j) an approved financial adviser;
- (k) an approved Islamic financial adviser;
- (l) an approved issuer of a designated payment instrument, except for limited purpose EMI as defined under the Policy Document on Electronic Money; and
- (m) an approved issuer of a designated Islamic payment instrument, except for limited purpose EMI as defined under the Policy Document on Electronic Money.

**“intermediaries”** refers to persons, both individuals and firms (including representatives, agents and their related parties<sup>5</sup>) involved in the marketing or selling of financial products for and on behalf of a FSP, through any means including digital channels;

**“licensed ITOs”** refer to licensed insurers and licensed takaful operators;

**“non-direct digital platforms”** refers to any digital platforms with purchase functionality which are not the direct channels of licensed ITOs. These platforms include but not limited to websites, microsites and mobile applications which belong to or operated by intermediaries and their related parties, Perlindungan Tenang partners, product aggregators, e-commerce platforms, e-money issuers and the Agency Portal Services (APS);

**“plain language”** refers to a clear presentation of information in a manner that is easy for a layman to understand. It avoids the use of convoluted sentence structures and unnecessary use of legal and technical jargon;

**“product information”** refers to any information about a financial product that would facilitate financial consumers in making an informed decision;

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<sup>4</sup> For example, approved financial advisers marketing financial products on behalf of other FSPs.

<sup>5</sup> “Related parties” refer to any person accustomed to representing or take instructions from a FSP’s intermediary in relation to the FSP’s financial products, unless otherwise stated in relevant and applicable laws or regulatory instruments issued by BNM.

**“senior management”** refers to the chief executive officer and senior officers of the FSP;

**“social guarantor”** refers to a person who provides, not for the purpose of making profit, the following guarantees-

- (a) a guarantee for a loan, scholarship or grant for educational or research purposes;
- (b) a guarantee for a hire-purchase transaction of a vehicle for personal or non-business use; and
- (c) a guarantee for a housing loan transaction solely for personal dwelling;

**“staff”** refers to persons employed by a FSP, including temporary or contract staff, and officers on attachment from an entity within the group of the FSP.

## 6 Related policy documents and legal instruments

- 6.1 This Policy Document must be read together with any relevant legal instruments, policy documents and guidelines issued by Bank Negara Malaysia (BNM) including any amendments or reissuance thereafter, in particular-
- (a) Specifications on Ensuring Fair Treatment for Victims of Unauthorised e-Banking Transactions issued on 28 June 2024;
  - (b) Policy Document on Fair Treatment of Financial Consumers issued on 27 March 2024 (BNM/RH/PD 028-103);
  - (c) Policy Document on Medical and Health Insurance/Takaful Business issued on 29 February 2024 (BNM/RH/PD 029-66);
  - (d) Policy Document on Management of Participating Life Business issued on 10 July 2023 (BNM/RH/PD 032-1);
  - (e) Policy Document on Universal Life Business issued on 13 February 2023 (BNM/RH/PD 032-22);
  - (f) Policy Document on Investment-linked Business issued on 13 February 2023 (BNM/RH/PD 029-36);
  - (g) Policy Document on Reference Rate Framework issued on 11 August 2021 (BNM/RH/PD 028-23);
  - (h) Policy Document on Credit Card issued on 2 July 2019 (BNM/RH/PD 036-1);
  - (i) Policy Document on Credit Card-i issued on 2 July 2019 (BNM/RH/PD 034-1);
  - (j) Policy Document on Investment Account issued on 10 October 2017 (BNM/RH/PD 028-63);
  - (k) Policy Document on Debit Card issued on 2 December 2016 (BNM/RH/PD 036-2);
  - (l) Policy Document on Debit Card-i issued on 2 December 2016 (BNM/RH/PD 034-2);
  - (m) Policy Document on Charge Card issued on 2 December 2016 (BNM/RH/PD 036-3);
  - (n) Policy Document on Charge Card-i issued on 2 December 2016 (BNM/RH/PD 034-3);
  - (o) Guidelines on Imposition of Fees and Charges on Financial Products and Services issued on 10 May 2012 (BNM/RH/GL 016-2);

- (p) Guidelines on Basic Banking Services for Islamic Banking Institutions issued on 16 December 2004 (BNM/RH/GL/ 002-3);
- (q) Guidelines on Basic Banking Services issued on 10 December 2004 (BNM/RH/GL 001-5); and
- (r) Guidelines on Basic Banking Services for Development Financial Institutions issued on 15 April 2009 (BNM/RH/GL/005-8).

## 7 Guidelines superseded

- 7.1 This Policy Document supersedes the following-
- (a) Guidelines on Product Transparency and Disclosure issued on 31 May 2013 (BNM/RH/GL 000-3);
  - (b) Circular on Additional Requirements to the Guidelines on Product Transparency and Disclosure: Cross-border Trade Settlement Service issued on 20 January 2015;
  - (c) Guidelines on Consumer Protection on Electronic Fund Transfers issued on 10 December 1998 (BNM/GP11);
  - (d) Guidelines on Accepting Guarantee as Security (BNM/RH/GL 001-19);
  - (e) Paragraph 26 under Guidelines on the Provision of Electronic Banking Services by Financial Institutions issued on 30 March 2010 (BNM/RH/GL 008-10); and
  - (f) Letter on Specifications pursuant to sections 123 and 143 of the Financial Services Act 2013 and sections 135 and 155 of the Islamic Financial Services Act 2013 relating to Disclosure Requirements for Insurance and Takaful Products Distributed via Non-Direct Digital Platforms issued on 2 November 2023.

## PART B GENERAL POLICY REQUIREMENTS

This Policy Document specifies minimum requirements on the disclosure of information relating to financial products that must be complied with by a FSP. However, a FSP is expected to adopt higher standards of disclosure, commensurate with the type of financial consumers and the complexity of financial products offered. Any example given in the Policy Document is meant to illustrate and provide clarity on the regulatory expectations and is not intended as the only information that needs to be disclosed to financial consumers.

- S** The extent to which a standard EMI (as defined under the Policy Document on Electronic Money) implements the requirements under this Policy Document shall be commensurate with the size of the EMI, its customer segments, the nature and complexity of its operations.

## 8 Effective oversight and accountability

### Roles and responsibilities of Board and Senior Management

- S** 8.1 Executive level commitment and support are critical for effective implementation of sound disclosure practices. Hence, the Board and senior management of a FSP

shall provide effective leadership, direction and oversight to ensure that sound disclosure practices for financial products are adopted throughout the FSP.

- S 8.2** The Board shall ensure that the FSP's governance arrangements with respect to disclosure practices are consistent with the requirements in this Policy Document.
- S 8.3** The Board shall provide adequate oversight to monitor the FSP's compliance with the requirements under this Policy Document and ensure that proper policies, systems, processes and procedures are in place to implement the requirements.
- S 8.4** Senior management shall ensure the effective implementation of disclosure requirements in this Policy Document in line with principles of fair treatment of financial consumers, including ensuring that adequate resources are allocated to effectively implement the requirements.
- S 8.5** Senior management shall ensure that proper processes are in place for the development and review of product disclosure materials to ensure compliance with the requirements under this Policy Document. Senior management must ensure that the business function responsible for developing the product disclosure materials seeks inputs from other business functions<sup>6</sup> to ensure that key features and terms of the financial product are communicated in a manner that financial consumers are able to understand.
- S 8.6** Senior management shall ensure that the FSP's staff and intermediaries, particularly those involved in the selling or marketing of financial products are adequately trained and have sufficient knowledge of the disclosure requirements related to the financial products.
- S 8.7** Senior management must ensure that the FSP's policies, processes and procedures are subject to periodic internal audit review to assess their effectiveness in complying with the requirements in this Policy Document.

## 9 Key disclosure principles

- S 9.1** A FSP shall give due regard to the information needs of financial consumers by adopting the following disclosure principles-
  - (a) timely;
  - (b) clear and simple;
  - (c) accurate, relevant and sufficient;
  - (d) highlight important information; and
  - (e) consistent and comparable.

The principles are aimed at improving the quality of disclosure and facilitate comparison and informed decision-making by financial consumers.

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<sup>6</sup> While the responsibility for developing product disclosure materials may reside with the product development unit, it must seek inputs from other business functions such as marketing, sales and customer services.

## 9.2 Timely disclosure

- S 9.2.1** Since financial consumers need information at an early stage to assess the suitability of financial products, a FSP shall ensure that the provision of product information to financial consumers is timely and up-to-date, where applicable, to facilitate informed decision-making by financial consumers.
- S 9.2.2** A FSP shall inform financial consumers about a financial product at each of the three stages of the contractual process, i.e. the pre-contractual stage, at the point of entering into a contract and during the term of the contract.
- G 9.2.3** Individual notification to financial consumers (whether by written notice or via electronic means) is likely to be more effective in achieving the objective of timely disclosure. However, where such individual notification is impractical or inappropriate on grounds of disproportionate costs, a FSP may adopt one or more of the following alternative means of notification-
  - a) statements sent to financial consumers;
  - b) prominent display of notices at the FSP's business premises; or
  - c) notices prominently posted on the FSP's website.
- S 9.2.4** When disclosing product information, particularly for information which has an impact on financial consumers' decision-making<sup>7</sup>, a FSP is required to ensure that the means of notification (whether individual notification or any other means of notification) allows the relevant information to reach the financial consumers in a timely manner.

## 9.3 Clear and simple disclosure

- S 9.3.1** Given that provision of excessive information can be counter-productive and confusing to financial consumers, a FSP must ensure that the disclosure on financial products is made in a manner that is concise and fit-for-purpose.
- S 9.3.2** A FSP shall present product information in a clear and understandable format by employing methods such as using short and direct sentences, active verbs, clear headings, boldface, key words, tables, diagrams and bullet lists, where appropriate, to improve the clarity of the disclosure.
- S 9.3.3** Given that font size is a key factor in determining whether a disclosure is conspicuous, a FSP shall present key product information that is likely to affect financial consumers' decisions in an easily readable font size and shall not be in a font size smaller than the rest of the contents.
- S 9.3.4** A FSP shall ensure contracts, agreements and disclosure documents are written in plain language. The FSP shall avoid the use of legal and technical jargons whenever possible. Where a FSP cannot avoid the use of legal and technical jargons, the FSP shall explain the meaning of these jargons in a footnote in the same page the jargons appear, to help financial consumers understand them.

<sup>7</sup> This includes information on the consumer's rights and obligations as well as the product's benefits and coverage.

- G** 9.3.5 A FSP may consider adopting credible readability tests<sup>8</sup> to ensure its contracts, agreements and disclosure documents are written in a manner that is easy for financial consumers to understand.
- S** 9.3.6 For more complex financial products, a FSP shall simplify and explain product information to financial consumers in a manner which promotes understanding by using appropriate examples or illustrations.

#### 9.4 Accurate, relevant and sufficient disclosure

- S** 9.4.1 A FSP shall disclose accurate, relevant and sufficient information to enable financial consumers to make informed decisions on financial products, including but not limited to product features, benefits and risks, fees and charges, as well as financial consumers' rights and obligations.
- S** 9.4.2 Where precise quantitative information cannot be quoted and an estimated figure is provided at the pre-contractual stage, a FSP shall make it clear to financial consumers that the figure is only an estimate and more accurate information will be provided, when available.
- S** 9.4.3 In ensuring accuracy in disclosure, a FSP must not exaggerate the benefits of financial products. The FSP must ensure that disclosure of product risks shall have equal prominence with information on product benefits. The FSP must disclose information on investment-related products in an objective and unbiased manner, with prospective financial information only included if such information is vital for financial consumers to make an informed decision on the financial product.
- S** 9.4.4 A FSP shall avoid using hypothetical circumstances or unrealistic assumptions to project future returns which are likely to be misleading. The FSP shall ensure that any projected future return is accompanied by a prominent statement indicating that the information is predictive in nature and may be affected by the underlying assumptions. Where the FSP expresses an opinion, the FSP must ensure that such an opinion is supported by a reasonable basis and the FSP shall unambiguously state that it is a statement of opinion.
- S** 9.4.5 A FSP shall ensure that graphs and visual illustrations are designed with care to avoid misleading financial consumers.
- S** 9.4.6 A FSP shall ensure that an investment-related product that merely adopts an investment strategy aimed at returning financial consumers' capital is not represented as a capital-guaranteed product or any other name that connotes a similar meaning. An investment-related product can only be represented as capital-guaranteed by the FSP if the guarantee is explicitly provided for by the FSP or a third party which is a FSP licensed under the laws administered by BNM.

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<sup>8</sup> A readability test is an algorithm that scores a text on how easy the text is to understand. The scores are usually based on the number and length of the words and sentences in the text. For example, the Flesch–Kincaid test measures word length and sentence length. The scores range from "very easy to read" to "extremely difficult to read". The Dall-Chall readability test gauges the comprehension difficulty that readers face when reading a text.

**S 9.4.7** For financial products where the funds are invested in Shariah-approved investment instruments, a FSP is prohibited from using any term that could give rise to the perception that they are Islamic or Shariah-compliant products. This includes the use of terms such as “Islamic”, “Shariah”, “Shariah-approved” and “Shariah-compliant”, or Arabic terms or references in the descriptions or names of the financial products or funds of the financial products. This prohibition is not applicable to financial products offered by Islamic banking institutions, takaful operators and a licensed bank or licensed investment bank carrying on Islamic banking business pursuant to BNM’s approval (i.e. Islamic window).

## 9.5 Highlight important information

**S 9.5.1** A FSP shall draw financial consumers’ attention to key terms and features of a financial product, which includes but is not limited to the following:

- a) Give due prominence to key product information through the enhancement of presentation, including the use of separate headings, key words, bullet points, boldface, tables, diagrams and infographics;
- b) Highlight major terms and conditions applicable to a financial product such as penalties, restrictions, exclusions, consequences of early termination of contract, financial consumers’ rights and obligations;
- c) Display warnings on a financial product, such as the associated risks, where applicable;
- d) Include a warning that information disclosed on past performance of a financial product is not indicative of future performance, wherever such information is shown; and
- e) Disclose the underlying assumptions and any specific circumstance or condition that may affect future performance of a financial product, where necessary.

**S 9.5.2** A FSP shall refer financial consumers to the relevant sources to obtain additional information on a financial product.

## 9.6 Consistent and comparable disclosure

**S 9.6.1** A FSP shall disclose product information in a consistent manner to facilitate comparison between similar products offered by the FSP or other FSPs. The FSP shall provide a Product Disclosure Sheet (PDS) to financial consumers to facilitate comparison with similar products offered by the FSP or other FSPs.

## 10 Timing of disclosure

**G 10.1** The timing of product disclosure can influence its effectiveness. Disclosure is effective when product information is given to financial consumers at a time that is most relevant to enable the consumers to make informed decisions at each of the three stages of the contractual process, i.e. the pre-contractual stage, at the point of entering into a contract and during the term of the contract.

## 10.2 Pre-contractual disclosure

- G** 10.2.1 Financial consumers need all relevant information at an early stage in the buying process, particularly before they apply for a specific financial product.
- S** 10.2.2 At the pre-contractual stage, a FSP shall make sufficient disclosure on a financial product to enable financial consumers to have a basic understanding of the product features, benefits, risks, charges, rights and obligations to facilitate comparison with similar products offered by other FSPs and to make informed decisions.
- S** 10.2.3 Information that shall be disclosed by a FSP to financial consumers includes but is not limited to-
- a) key features of the financial product;
  - b) significant risks associated with the financial product;
  - c) benefits to which financial consumers will or may become entitled to, the circumstances in which and times at which those benefits will or may be provided;
  - d) applicable fees and charges; and
  - e) salient terms and conditions that affect financial consumers' rights and obligations.
- S** 10.2.4 A FSP shall make available the pre-contractual disclosure materials, including the PDS on a FSP's website or other digital channels used to distribute the FSP's financial products.
- G** 10.2.5 A FSP may include the following statement to provide prominence on the intent of pre-contractual disclosure:  
*"This page has been designed to help you better understand the financial product you are about to purchase. You are advised to read and understand the information provided."*

## 10.3 Disclosure at the point of entering into a contract

- G** 10.3.1 "At the point of entering into a contract" refers to the initial stage of financial consumers accepting a financial product offer made by a FSP.
- S** 10.3.2 A FSP shall provide financial product information in a timely manner before financial consumers enter into a contract with the FSP. This is particularly important in a digital environment whereby the consumers tend to proceed swiftly through an application or purchase process.
- S** 10.3.3 A FSP shall highlight the key contractual terms and conditions to financial consumers. Information that must be disclosed at this stage includes but is not limited to:
- a) Rights and obligations of the financial consumer and the FSP;
  - b) Fees and charges that will be payable by the financial consumer after the acquisition, and when those amounts will be payable;
  - c) Cooling-off rights including its duration, if applicable;

- d) Key exclusions, conditions and limits, if applicable;
- e) Liability for loss, if applicable; and
- f) Contact details of the FSP and channels for enquiry or complaint.

- S 10.3.4** A FSP shall advise financial consumers to read the PDS and contract, understand the key contractual terms and seek clarification from the FSP should they face any difficulty in understanding any of the contractual terms, prior to entering into the contract.
- S 10.3.5** If financial consumers are required to acknowledge that they have read and understood the terms and conditions disclosed by ticking a box or signing on the PDS, a FSP shall not use such acknowledgement as its sole defence in the event of a dispute between the FSP and the financial consumer in relation to the terms and conditions disclosed in the PDS.
- S 10.3.6** A FSP is prohibited from using pre-ticked boxes in a financial product application form as this tantamount to financial consumers being co-opted into buying a financial product or any additional product without their explicit consent.

#### 10.4 Disclosure during the term of the contract

- S 10.4.1** Where applicable, a FSP shall adopt continuous disclosure during the term of a financial product contract through the following methods:
- a) **Notice of changes:** Any change, including but not limited to the terms and conditions, features of the product and financial consumers' rights and obligations shall be communicated by a FSP to financial consumers via adequate notices before the changes are introduced. The mode of notification may be in writing via mail or digital means or displayed at the FSP's business premises or website;
  - b) **Disclosure on statements:** Statements, which include electronic statements, issued at regular intervals for financial products are necessary to communicate important information to financial consumers during the term of the contract. Periodic statements shall be given by a FSP as soon as practicable without any charge to financial consumers. However, for financial products for which physical statements are issued only upon request, the FSP shall ensure that financial consumers have timely access to the information through other channels without any cost; or
  - c) **Disclosure following a specific request:** A FSP shall provide relevant and accurate information as and when requested by financial consumers during the term of the contract. Where a fee may be levied on financial consumers, the FSP shall inform them of the charges and the basis for such charges at the time financial consumers request for the information.

#### 11 Digital disclosure

- G 11.1** Financial consumers' poor engagement with financial product disclosure is more pronounced in a digital environment due to peculiarities such as smaller screen size and information overload. The speed and ease of proceeding from the selection process to securing the purchase when transacting digitally can also contribute to financial consumers inadvertently missing important pre-

contractual disclosure or impede meaningful consideration of product information in their decision-making. The absence of human interaction in the decision-making process heightens the likelihood of financial consumers purchasing a financial product without fully understanding the risks and obligations associated with the product. It is therefore crucial for FSPs to promote effective consumer engagement by enhancing the presentation of product disclosure provided in a digital environment.

- S 11.2** With the growing use of digital channels to offer financial products, a FSP shall ensure that product disclosure is compatible with the digital channel used, whilst ensuring compliance with other disclosure requirements in this Policy Document, particularly the requirements specified under paragraphs 9 and 10.
- S 11.3** A FSP shall ensure that product information disclosed to financial consumers through digital channels is easily accessible, clear and conspicuous to promote consumer engagement and understanding of key product information to facilitate informed decision-making by financial consumers.
- G 11.4** A FSP is encouraged to conduct consumer testing to solicit feedback from financial consumers to ensure product disclosure via digital channels are engaging and easily understood by financial consumers.
- S 11.5** A FSP shall disclose financial product information in a manner that enables financial consumers to print or save a copy of the product information for future reference.
- G 11.6** A good practice for implementation of paragraph 11.5 is to prominently display the download button to draw financial consumers' attention on the available option to save a digital copy.
- S 11.7** A FSP shall display the PDS prominently on the digital channel to draw financial consumers' attention to the information. A FSP must not include any promotional information within the same page to avoid diverting financial consumers' attention away from the PDS.
- S 11.8** A FSP shall ensure that financial consumers cannot proceed to the next stage of the contractual process unless they confirm that they have read the entire PDS. When scrolling is necessary, the FSP shall use appropriate techniques to encourage financial consumers to scroll to view the disclosure.
- G 11.9** Good practices for implementing paragraph 11.8 include using clearly displayed text prompts or visual cues at different parts of the page to convey the importance of reading the PDS and to encourage financial consumers to scroll further to read the PDS.
- S 11.10** A FSP shall ensure that financial product information provided on its digital channels is accurate and up-to-date at the point of disclosure so that financial consumers are able to use such information for making informed decisions.

- S** 11.11 During the contract term, a FSP shall notify the affected financial consumers of important disclosure on its website or other digital channels in a timely manner using instant communication modes such as SMS or push notification, with details on how to access the disclosure. Notwithstanding, the FSP shall not use hyperlinks in a SMS to direct financial consumers to the disclosure on its website or other digital channels to prevent the risk of financial scams.
- S** 11.12 When designing financial product disclosure materials for digital channels, a FSP shall pay particular attention to the font size, colour and graphics used to disclose key product information. This is to ensure that these elements enhance the readability and prominence of the product information in relation to other contents displayed on the screen. A FSP must ensure that the disclosure does not include features that draw financial consumers' attention away from the key product information.
- G** 11.13 The use of more interactive and engaging methods to improve how key product information is presented would entice financial consumers to read and understand such information. A FSP is encouraged to-
- a) add a "reading time" cue (e.g. it takes less than five minutes to read the PDS);
  - b) use interactive tools to help financial consumers understand complex information; and
  - c) incorporate digital tools such as a loan or financial calculator.
- G** 11.14 Good practices to enhance readership and improve understanding include incorporating video or audio to explain complex information, FAQs, warnings on major product risks or short quizzes to assist financial consumers in understanding key terms.
- S** 11.15 A FSP shall ensure that financial consumers are adequately assisted in their interactions with the FSP in the digital environment by making available a hotline, live chat, chatbot or other interactive tools, proportionate to the complexity of the financial product offered.
- G** 11.16 For avoidance of doubt, the interactive tools specified under paragraph 11.15 are not necessary if a FSP distributes only simple products, such as deposit accounts, through its digital channel.
- S** 11.17 For financial products that are offered via a digital channel, a FSP shall clearly inform financial consumers at the point of entering into a contract that they will only receive product disclosure in a digital form<sup>9</sup> if the FSP does not intend to provide physical copy of the product disclosure.
- S** 11.18 In relation to financial products offered through non-digital channels, a FSP must consider the profile of affected financial consumers prior to implementing disclosure through only digital mean<sup>10</sup>. The FSP shall notify financial consumers

<sup>9</sup> For the avoidance of doubt, for financial products offered via a digital channel, a FSP is not required to provide a physical copy of the product disclosure.

<sup>10</sup> Paragraph 11.18 is applicable when a FSP decides to change the way in which disclosure is communicated to existing customers, i.e. from physical copy to disclosure via digital means only. For example, the FSP will only send soft copy of account statements to the customers.

that disclosure will be made in digital form moving forward and enquire if such change in the form of disclosure is acceptable to the consumers. The FSP shall-

- a) give prior written notice of at least seven (7) calendar days to financial consumers before the change takes effect;
- b) in the written notice, indicate the benefits of opting for disclosure via digital means to enable financial consumers to opt-in for migration to digital disclosure; and
- c) clearly disclose the relevant fees in the event financial consumers request for a physical copy of the information.

- S 11.19** A FSP shall ensure that in making a disclosure via a digital channel, it does not expose financial consumers to heightened security risks, such as phishing, scam, and identity theft.
- S 11.20** When access to relevant financial product information is provided through a hyperlink on a FSP's digital channels, the FSP shall make it clear that financial consumers will not be asked to provide their personal details online in order to access the product information. This is to mitigate against the risk of phishing and financial scams. The FSP shall also ensure that the hyperlink is-
- a) prominent and easy to navigate;
  - b) labelled appropriately to convey the relevance of information it leads to; and
  - c) programmed to lead financial consumers directly to the relevant information on the click-through page.
- S 11.21** A FSP shall ensure that any personal information including financial information communicated to financial consumers via a digital channel is adequately protected, such as by using password protection or encryption.
- S 11.22** A FSP shall ensure that its website and other digital channels used to deliver product information are accessible to all financial consumers, consistent with the principles set out in the Policy Document on Fair Treatment of Financial Consumers.
- S 11.23** A FSP that distributes its insurance and takaful products through non-direct digital platforms (NDDPs)<sup>11</sup> shall also comply with the disclosure requirements as specified under paragraph 1 in Schedule II.
- G 11.24** For the avoidance of doubt, the requirements under paragraphs 11.7, 11.8, 11.17 and 11.20 do not apply to NDDPs.

## 12 Disclosure of customer information

- S 12.1** A FSP intending to disclose customer information to other entities within the financial group or third parties such as strategic alliances for marketing and promotional purposes, shall obtain the prior written consent of financial consumers authorising such disclosure.

<sup>11</sup> Non-direct digital platforms include product aggregators and E-commerce platforms, but do not include any digital channel developed as the ITO's proprietary system or outsourced to third party vendors to administer on behalf of the ITO, whereby consumers purchase the product directly from the ITO.

- S 12.2** For purposes of paragraph 12.1, a FSP that is seeking financial consumers' consent to disclose their information to another person for marketing and promotional purposes shall comply with the following conditions-
- a) Specific - The FSP shall ensure that the terms providing financial consumers' consents are clear, concise, and written in plain language. The relevant terms shall be specific in relation to the following:
    - i. to whom the disclosure will be made<sup>12</sup>;
    - ii. the purpose of such disclosure; and
    - iii. the information that will be disclosed;
  - b) Voluntary<sup>13</sup> - The FSP shall not, as a condition of providing a financial product, compel or coerce financial consumers to give their consent for the FSP to disclose their information for marketing and promotional purposes;
  - c) Explicit and deliberate - Financial consumers must explicitly opt in or deliberately agree<sup>14</sup> for the disclosure of their information by the FSP. The FSP is prohibited from obtaining consent using pre-ticked<sup>15</sup> consent statement; and
  - d) Revocable upon request - Financial consumers shall be allowed to withdraw their consent given for the disclosure of their information for marketing and promotional purposes at any time. Financial consumers shall be informed of their rights to withdraw their consent and the means to affect such withdrawal of consent. The process for withdrawing the consent must be as straightforward as it was to obtain the consent, for example via online platforms. The FSP shall cease the disclosure of customer information for marketing and promotional purposes as soon as practicable after the withdrawal of the consent by the financial consumers. A reasonable time frame would be not more than seven (7) calendar days from the day the FSP receives the notification on withdrawal of consent.
- S 12.3** In relation to paragraph 12.2, a FSP shall allow existing financial consumers to withdraw the consents for the disclosure of their information for marketing and promotional purposes, which were given to the FSP prior to the effective date of this Policy Document and the requirement under paragraph 12.2(d) shall apply accordingly.
- S 12.4** From the effective date of paragraph 12, paragraphs 12.1 and 12.2 shall apply to all new financial consumers as well as existing financial consumers when they renew their contracts or apply for a new financial product.

<sup>12</sup> It would be sufficient for a FSP to indicate broadly to whom the customer information will be shared for marketing and promotion of financial products, e.g. another entity within the financial group.

<sup>13</sup> Consent is not considered as "voluntary" if the consent was secured using a pre-ticked box which requires financial consumers to opt-out of such arrangement.

<sup>14</sup> For example, signing a consent form, ticking an opt-in box on paper, or clicking an opt-in button online.

<sup>15</sup> A pre-ticked consent box in an application form does not meet the requirement of "explicit and deliberate" consent by financial consumers.

## 13 Disclosure for advertisements

- S 13.1** A FSP shall formulate and implement adequate and effective internal systems, processes and procedures to ensure that all advertising materials relating to its financial products comply with the requirements in this Policy Document as well as applicable laws, rules, guidelines, codes of practice to protect financial consumers from misleading advertisements and their adverse consequences. In the event of any conflicts, the existing provisions of laws, rules, guidelines, codes of practice imposing a higher standard of conduct shall be applied by the FSP. A FSP shall comply with the requirements under paragraph 13 in respect of all advertisements and promotion of its financial products, including advertisements via digital channels.

### 13.2 Advertisements shall be clear and not misleading

- S 13.2.1** The name of a FSP publishing an advertisement shall be clearly displayed in the advertisement. A FSP shall ensure that its intermediaries only use advertisements that are approved by the FSP. Such advertisements shall contain the intermediary's registered name and the FSP that the intermediary is representing.
- S 13.2.2** A FSP shall ensure that all advertisements are published in a manner that enables financial consumers to immediately identify it as a promotional material.
- S 13.2.3** A FSP shall ensure that the information disclosed in any advertisement or promotional material using any form of media is presented in a manner that is clear, conspicuous and easily understood by financial consumers.
- S 13.2.4** A FSP shall ensure that an advertisement on the FSP's financial product is not misleading, i.e. its presentation deceives or is likely to deceive the person to whom it reaches.
- G 13.2.5** Misleading advertisements include, but not limited to, those containing a false statement of fact, those which conceal important facts or create a false impression.
- S 13.2.6** A FSP shall not describe a financial product as "free" or "at no cost" in an advertisement if any charge or condition may be imposed during the term of the contract.
- S 13.2.7** A FSP shall not describe a promotional gift as "free" in an advertisement if additional costs will be charged to financial consumers, or there will be conditions attached to the promotional gift. The FSP shall provide financial consumers with sufficient information about any cost or conditions to be eligible for the promotional gift.

- S 13.2.8** A FSP shall highlight important product information such as pricing and charges in its advertisement. For print media advertisement, a FSP shall use legible fonts to bring financial consumers' attention to such information.
- S 13.2.9** A FSP shall consider the perspective of financial consumers when determining which key product information to provide prominence on, particularly the placement and presentation of such information in terms of font size, colour and other design elements. The FSP shall ensure that any contrast between the colour of text on important product information and the background of an advertisement does not make it hard to read or less likely to be noticed by financial consumers.
- S 13.2.10** Where a FSP uses footnotes in its advertisements, the font size shall be proportionate to the rest of the text to be easily readable.

### **13.3 Advertisements shall disclose accurate and relevant information**

- S 13.3.1** A FSP must ensure that information relevant to financial consumers, such as product features, risks, costs and benefits included in all advertisements are accurate. Where rates are given in promotional materials, the FSP shall disclose the effective lending/financing rate or effective deposit rate, where applicable, to facilitate comparison by financial consumers.
- S 13.3.2** A FSP must ensure that its advertisements do not seek to influence financial consumers' understanding of the advertised financial product by using inaccurate or ambiguous explanations or material omissions.
- S 13.3.3** A FSP must ensure that the benefits of a financial product shall not be exaggerated and any benefit, such as projected future returns, is accompanied by unambiguous statements indicating that the information is predictive in nature and may be affected by the underlying assumptions.
- S 13.3.4** A FSP must ensure that an advertisement does not focus only on the benefits without providing a balanced view of the risks associated with a financial product. The FSP shall ensure that statements on risks are prominently disclosed, contain sufficient details and risks are not disguised or understated. The FSP must determine the level of details required to be included in the risk description depending on the form of the advertisement materials and the complexity of the risks.
- S 13.3.5** A FSP shall not claim in an advertisement its intention to offer a financial product at a promotional price, when in fact, the FSP does not intend to offer the financial product at that advertised price.
- S 13.3.6** In an advertisement to alert financial consumers of a new promotion, a FSP shall clearly disclose to them the duration of the promotional period and the key terms and conditions which apply to that particular promotion.

- S 13.3.7** If an advertisement is short or generic in its content, a FSP shall inform financial consumers how to access additional explanatory information on the financial product. All relevant information shall be provided by the FSP upon request by financial consumers in a timely manner.
- S 13.3.8** A FSP shall display appropriate warnings, such as the risks associated with a financial product, as a boxed warning statement, where applicable. The FSP must ensure that the warning statement is in a similar font size to the rest of the text and highlighted in bold print. For audio advertisement with no visual display, the FSP must ensure that such warnings are clearly announced at the end of each broadcast.
- S 13.3.9** A FSP must ensure that any risk or warnings published in an advertisement shall not be obscured or disguised in any way by the design of the advertisement.
- S 13.3.10** A FSP shall ensure that any disclaimer is not hidden or difficult for financial consumers to read and understand.

#### **13.4 Illustration of past and future performance**

- S 13.4.1** A FSP shall assess if there is a reasonable basis for including future performance information in an advertisement and whether such information is likely to mislead financial consumers. The FSP shall not include future performance information that is supported only by hypothetical or unrealistic assumptions or based solely on an opinion.
- S 13.4.2** In advertising a financial product, a FSP shall:
  - (a) not advertise a financial product in a manner that may give rise to undue expectations by financial consumers based on the projected returns of the financial product;
  - (b) prominently state that the projected returns are for illustrative purposes only and are not indicative or to be construed as the likely returns;
  - (c) ensure that any statement or forecast does not mislead financial consumers at the time it is made and clearly state any assumption used; and
  - (d) not market an investment-related financial product solely based on the projected returns of the financial product.
- S 13.4.3** When presenting the past performance of a financial product, a FSP shall:
  - (a) use the actual, accurate and up-to-date returns of the most recent 5 (five) preceding years (or the available period, for financial products that have been offered for a period of less than 5 years);
  - (b) ensure that such information is accompanied by a prominent statement to warn financial consumers that past performance is not indicative of future performance; and
  - (c) clearly state the source of data and period used in the illustration.

## 14 Language requirement

- S 14.1** A FSP shall prioritise the use of Bahasa Melayu in disclosing product information to financial consumers.
- S 14.2** A FSP shall make available all product forms and the PDS in languages, including Bahasa Melayu, that meet the needs of its customer segments.
- G 14.3** For comprehensive and lengthy documents such as contracts, agreements, insurance policies and takaful certificates, such documents may be made available in a single language (either Bahasa Melayu or English).
- G 14.4** It is important for financial consumers to understand the relevant forms or the terms and conditions of the contract or agreement, and to sign a contract or agreement in the language that the consumers can understand.
- S 14.5** If a financial consumer requests for the Bahasa Melayu version of the relevant form, contract or agreement, a FSP must allow the financial consumer to sign the Bahasa Melayu version of the form, contract or agreement.

## 15 Product specific disclosure requirements

- S 15.1** Financial consumers require different information for different financial products at each of the three stages of the contractual process<sup>16</sup> to facilitate their informed decision-making. In addition to the general policy requirements under Part B, a FSP is required to adhere to product specific disclosure requirements contained in the Schedules.
- S 15.2** A FSP offering financial products with a combination of different features shall observe the respective product specific disclosure requirements set out in the Schedules.
- S 15.3** A FSP offering Islamic financial products is required to ensure compliance with Shariah requirements at all times.
- S 15.4** The disclosure requirements for insurance and takaful (ITO) products specified in this Policy Document are applicable to the following types of plans-
- individual plans;
  - group plans whereby the group master policy owner/takaful participant has no insurable interest/permissible takaful interest; and
  - group plans involving credit-related products.
- S 15.5** For all group plans, the disclosure shall be made to the group master policy owner/takaful participant. Notwithstanding, for ITO products that are sold via e-commerce platforms to individuals and such products are considered as group plans, a FSP must provide the relevant product disclosure to all individuals covered under the group plans.

<sup>16</sup> Refers to pre-contractual stage, at the point of entering into a contract and during the term of the contract.  
Issued on: 2 December 2024

## 16 Product Disclosure Sheet (PDS)

- S** 16.1 A FSP shall provide a PDS (following the order and sequence of items as specified in the PDS templates provided in the Schedules) for financial consumers to make product comparisons and informed decisions. The FSP shall comply with the “Notes on PDS requirements” provided in the PDS templates.
- G** 16.2 For the avoidance of doubt, a FSP may use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important terms in the PDS.
- G** 16.3 A FSP is encouraged to provide a PDS containing relevant product information that is tailored to the needs of financial consumers at the pre-contractual stage to facilitate consumers in making informed financial choices.
- S** 16.4 A FSP shall ensure the PDS does not exceed two A4 pages and ensure that the information is presented in an easily readable font size.
- S** 16.5 A FSP shall use plain language and active verbs to make the PDS easy to read and understand.
- G** 16.6 In relation to paragraph 16.5, keeping sentences short will make the PDS easier to read. Most plain language writing guides recommend an average sentence length of not more than twenty words per sentence.
- S** 16.7 A FSP shall ensure the PDS is clearly distinguishable from other marketing materials to enable financial consumers to refer to the PDS for comparison and decision-making.
- S** 16.8 A FSP shall put in place adequate measures to ensure financial consumers are guided to read and understand the PDS prior to entering into a contract. The extent to which the FSP implements these measures shall be commensurate with the complexity of the financial product (i.e. adopting a risk-based approach). The level of measures that must be put in place by FSPs for more complex products would be higher as compared to less complex products. For complex products, the FSP must take additional steps, such as calling customers post-sales, to confirm that the customers are aware of all key terms and risks of the product.
- G** 16.9 In complying with paragraph 16.8, a FSP may require its front-line sales staff and intermediaries to advise financial consumers to read the PDS and explain the key information in the PDS, such as their obligations and product risks.
- S** 16.10 A FSP shall provide a copy of the PDS to financial consumers at the pre-contractual stage.
- S** 16.11 If it is not practical to provide the PDS at the pre-contractual stage, particularly for telemarketing transactions, a FSP shall direct financial consumers to its website to view, read or obtain a copy of the PDS.

- S** 16.12 A FSP that distributes its financial products through intermediaries, including a digital channel, shall customise the information contained in the PDS according to the distribution channel. The FSP shall disclose specific charges to be borne by financial consumers for securing the sale through its intermediaries, such as the platform, processing or administrative fees, if any.
- S** 16.13 For riders to an insurance/takaful product offering a variety of benefits<sup>17</sup>, a FSP must provide a separate PDS for such riders. The FSP must provide the PDS for the riders together with the PDS for the basic insurance or takaful product.
- S** 16.14 For financial products that are not set out in the Schedules, a FSP shall be guided by the format provided in the Schedules in producing a PDS on such products.
- S** 16.15 A FSP offering an Islamic financial product must explain the applicable Shariah contract, including the key terms and conditions in the PDS.
- G** 16.16 BNM reserves the right to require a FSP to make appropriate amendments to a PDS if information contained in the PDS is found to be inaccurate, incomplete or misleading.
- S** 16.17 A FSP shall immediately make appropriate amendments to the information contained in the PDS upon being informed by BNM in writing that the PDS is inaccurate or misleading.

## 17 Compliance

- S** 17.1 A FSP shall ensure that its intermediaries comply with the requirements under this Policy Document and take appropriate actions against any intermediary that fails to make the necessary product disclosure, including to provide the PDS to financial consumers. However, the FSP remains fully accountable for such failure by its intermediaries.
- S** 17.2 A FSP shall conduct regular review to assess compliance with the requirements in this Policy Document as part of its internal audit, risk management or compliance processes.
- S** 17.3 Senior management shall ensure that timely and appropriate actions are taken by the FSP to rectify any failure to comply or deficiencies detected in the implementation of the requirements in this Policy Document.
- S** 17.4 Notwithstanding paragraph 17.2, a FSP shall ensure an independent function such as its compliance, internal audit or risk management, assesses the FSP's compliance with the requirements in this Policy Document within two years from the issuance date of this Policy Document.

<sup>17</sup> Examples of riders offering a variety of benefits include medical reimbursement riders, critical illness riders and hospitalisation income riders. Examples of riders not offering a variety of benefits include riders that waive premium/takaful contribution upon events like death or total permanent disability.

- S 17.5** A FSP must ensure that any non-compliance with the requirements in this Policy Document is properly documented. Upon completion of the independent review under paragraph 17.4, the FSP shall report material non-compliances and its proposed remedial actions to address the relevant non-compliances to the Board.
- S 17.6** A copy of the report presented to the Board, as well as the minutes of the Board Meeting, shall be submitted to: Pengarah, Jabatan Konsumen dan Amalan Pasaran, Bank Negara Malaysia, within ten working days upon tabling of the report to the Board.

## SCHEDULE I: BANKING PRODUCTS

### 1. Loan/Financing Products<sup>18</sup>

#### 1.1 Pre-contractual stage

- S 1.1.1** A FSP shall inform financial consumers of the expected interest/profit rate that will be imposed on the loan/financing product. The FSP must also provide the following information-
- Whether the interest/profit rate is on a fixed rate, floating rate or a combination of fixed and floating rate basis;
  - The effective interest/profit rate<sup>19</sup> and total repayment/payment amount, including in advertisements and in any promotional materials when interest/profit rate is included;
  - How interest/profit on the loan/financing product will be calculated, whether on a daily or monthly rest basis; and
  - For floating rate loans/financing, the FSP shall disclose the circumstances under which the interest/profit rate may increase and the impact of a rate increase.
- S 1.1.2** A FSP shall disclose the amount of loan/financing the FSP is able to grant (expressed as a percentage of the value of asset, where applicable) to financial consumers.
- S 1.1.3** A FSP shall inform financial consumers of the tenure of a loan/financing product.
- S 1.1.4** A FSP shall inform financial consumers on whether a collateral is required for a loan/financing product.
- S 1.1.5** A FSP shall disclose all applicable fees and charges for a loan/financing product. The FSP shall clearly disclose the fee for each item, when the fee is payable and the factors that affect the level of imposition of the fee, if any. The FSP must explain the basis for the imposition of such fees and charges upon enquiry by financial consumers.
- S 1.1.6** A FSP shall not pressure or coerce financial consumers to use its panel lawyers. The FSP shall ensure that the use of non-panel lawyers by financial consumers will not affect the loan/financing approval.
- S 1.1.7** A FSP shall indicate any insurance/takaful requirement and the coverage required as a condition of a loan/financing product, e.g. mortgage reducing term assurance (MRTA), mortgage reducing term takaful (MRTT) or mortgage level term takaful (MLTT). For Islamic financing products, the FSP shall inform the consumers that the FSP can only finance the cost of MRTT/MLTT but not the cost of the MRTA.

<sup>18</sup> Insurers and takaful operators offering loan/financing products to financial consumers shall also comply with these disclosure requirements.

<sup>19</sup> For Islamic financing products, the effective profit rate of a variable rate sale-based financing product refers to the profit rate that financial consumers will effectively pay for the financing, based on the existing reference rate.

- S 1.1.8** A FSP shall inform financial consumers that they are not obliged to purchase any insurance/takaful coverage from the FSP's panel of insurers/takaful operators (ITOs). The FSP shall not purchase any policy/takaful certificate on behalf of financial consumers from the FSP's panel of ITOs without the expressed written consent of the financial consumers.
- S 1.1.9** A FSP shall indicate to financial consumers of any requirement for a guarantor and inform the guarantor of his rights and obligations as a guarantor.
- S 1.1.10** A FSP's sales and marketing representatives and agents shall clearly identify the FSP they are representing when contacting financial consumers. The FSP's representatives and agents shall explain the key terms, benefits and risks of the financial product being offered to financial consumers.
- S 1.1.11** For Islamic financing products, a FSP shall inform financial consumers of the Shariah concepts applicable to the financing product. For example, a FSP shall inform financial consumers that financing facility under a *Murabahah* concept is a method of sale with a marked-up price where the consumers pay a price over an agreed period of time. For equity-based financing, the FSP shall disclose the profit and loss-sharing ratio to the consumers.

## **1.2 At the point of entering into a contract**

- S 1.2.1** A FSP shall inform financial consumers of the loan/financing amount, the applicable terms and total repayment amount at the end of the tenure, including the total interest/profit charges. For a floating rate loan/financing, the FSP shall inform that the total repayment/installments amount and the total interest/profit charges are accurate only if the interest/profit rate remains unchanged. The FSP shall also disclose the timing when interest/profit charges will be debited into the loan/financing account.
- S 1.2.2** For Islamic financing products, a FSP shall also disclose the financing amount that includes the selling price or total rental, whichever is applicable.
- S 1.2.3** A FSP shall provide financial consumers with a repayment/payment schedule containing the date of the first instalment, the number of instalments to be paid, the frequency of payment and the amount to be paid for each instalment. For a floating rate loan/financing, the FSP shall inform the consumers that the repayment/payment schedule is based on the interest/profit rate that was in effect at the time the loan/financing agreement is signed. The FSP must highlight that the actual payments will be higher than the amount shown in the schedule if the interest/profit rate increases during the loan/financing tenure.
- S 1.2.4** A FSP shall disclose to financial consumers when late payment/compensation charges<sup>20</sup> will be imposed on them and the rate of late payment/compensation charges to be imposed. The FSP must also disclose the manner in which the late payment/compensation charges will be computed.

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<sup>20</sup> The FSP must observe any relevant requirements in the Guidelines on Ibra'(Rebate) for Sale-Based Financing and Guidelines on Late Payment Charges for Islamic Banking Institutions.

- S 1.2.5** A FSP shall clearly inform financial consumers of any applicable lock-in period for a loan/financing product. The FSP shall also disclose any early settlement charges payable by the consumers if a loan/financing is terminated before the end of the lock-in period, the method for calculation of such charges and when they are due. If a rebate for early settlement is applicable, the FSP must inform the consumers of the rebate entitlement and the method for calculating such rebate. The FSP must also inform the consumers of any rebate for MRTA/MRTT, if applicable.
- S 1.2.6** A FSP shall inform financial consumers on whether pre-payment or overpayment of the monthly instalment is allowed and the impact on the calculation of interest/profit charges. The FSP shall alert the consumers of the amount of any pre-payment or overpayment penalty/charge that may be imposed. The FSP must also inform the consumers of the process for making such payments.
- S 1.2.7** A FSP shall inform financial consumers of the FSP's right to set-off any credit balance in the financial consumers' accounts against any debit balance in other accounts maintained with the FSP. The FSP shall disclose the circumstances in which the FSP will exercise its right to set off the consumers' accounts.
- S 1.2.8** A FSP shall inform financial consumers of the FSP's right to outsource debt collection to a third-party debt collection agency and to sell impaired loan/financing to a third party.
- S 1.2.9** A FSP shall highlight to financial consumers the implications on the loan/financing facility in the event of the death of the borrower or joint borrower during the loan/financing tenure.
- S 1.2.10** A FSP shall inform financial consumers of the possible actions that may be taken by the FSP in the event of default by the consumers. For Islamic financing products, the FSP shall also explain the default mechanism based on the different Shariah concepts applicable to the financing product. Relevant illustrations must be provided by the FSP to ease the consumers' understanding of the default mechanism.
- S 1.2.11** A FSP shall inform financial consumers of the importance of notifying the FSP of any change in the consumers' contact details and the notification method.

### **1.3 During the term of the contract**

- S 1.3.1** A FSP shall provide a loan/financing statement to financial consumers at least once a year. The statement shall indicate the outstanding balance at the beginning and end of the period covered by the statement, the amount credited and charged and the dates when those amounts were posted to the account.
- S 1.3.2** A FSP shall inform financial consumers of any change in the interest/profit rate of a loan/financing product at least seven (7) calendar days prior to the date the revised instalment amount comes into effect. The FSP shall provide the consumers with particulars of the revised instalment or rental payable. The FSP shall ensure that the mode of notification allows the information to reach the

consumers in a timely manner for the consumers to make repayment/payment on time.

- S 1.3.3** A FSP shall inform financial consumers at least twenty-one (21) calendar days prior to the effective date of implementation of any revised terms and conditions of a loan/financing product, including changes in fees and charges. Notification to the consumers shall be done in writing or electronically.
- S 1.3.4** If a FSP has the right to set-off any credit balance in financial consumers' accounts against any outstanding balance in a loan/financing account, the consumers shall be informed at least seven (7) calendar days in advance on the FSP's intention to set-off a credit balance in the consumers' accounts against a debit balance in the loan/financing account. The FSP shall only earmark the available funds in the consumers' accounts against the outstanding balance in the loan/financing account upon the issuance of the notice to the consumers.
- S 1.3.5** For delinquent accounts, a FSP shall-
- a. ensure that delinquent financial consumers are given sufficient reminders on the amount outstanding and interest/profit charges incurred on the delinquent accounts;
  - b. warn the financial consumers of possible actions that the FSP may take if reminders to keep up with the repayment of amount outstanding and interest/profit charges incurred are ignored;
  - c. inform the financial consumers at least seven (7) calendar days<sup>21</sup> in advance if the collection of the outstanding amount and interest/profit charges incurred for a delinquent account is to be outsourced to a third party debt collection agency.
  - d. notify the affected financial consumers within seven (7) calendar days of obtaining a vesting order from the Court for delinquent accounts that have been classified as impaired loan/financing and sold to a third party;
  - e. inform the financial consumers of the impact on their rights and obligations after the debt collection has been outsourced to a third party debt collection agency or the impaired loan/financing has been sold to a third party. A FSP must also send a copy of the notice to the guarantor, if applicable;
  - f. provide financial consumers with the name and contact details of the appointed third-party debt collection agency or the third party to whom the impaired loan/financing has been sold; and
  - g. inform financial consumers of the services of Agensi Kaunseling Dan Pengurusan Kredit (AKPK) by incorporating the following note in all reminders sent to the financial consumers in a legible font size:

English version

"Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals."

<sup>21</sup> Under specific circumstances where financial consumers are not contactable, a FSP is considered to have fulfilled its obligation if such notice has been sent to the last known address of the consumers at least seven (7) calendar days in advance before the outsourcing of the debt collection or the sale of the impaired loan/financing.

**Bahasa Melayu version**

“Agenzi Kaunseling Dan Pengurusan Kredit telah ditubuhkan oleh Bank Negara Malaysia untuk menyediakan perkhidmatan pengurusan kewangan, kaunseling kredit, pendidikan kewangan dan penstrukturran semula pinjaman secara percuma kepada individu.”

**2. Loan/Financing Products - Disclosure to Social Guarantor**

**S 2.1** A FSP shall observe the disclosure requirements under this part when accepting a guarantee from a social guarantor as security for a loan/financing product.

**G 2.2** The requirements under this part are not applicable to a loan/financing product granted to-

- a. an individual for business use; and
- b. an individual whose spouse is the guarantor of the loan/financing product.

**2.3 Pre-signing stage**

**S 2.3.1** Prior to the signing of a guarantee by a social guarantor, a FSP shall ensure that-

- a. the financial consumer discloses in writing to the social guarantor, all credit facilities granted to the financial consumer by any other FSP and all guarantees given by the financial consumer personally, for which the consumer is personally liable. The FSP must obtain a copy of the disclosure letter from the financial consumer for its record;
- b. the financial consumer provides a written permission to the FSP for the FSP to disclose to the social guarantor all correspondence between the FSP and the financial consumer during the loan/financing tenure;
- c. the social guarantor is informed in writing by the FSP of his/her rights and obligations in respect of the loan/financing applied by the financial consumer; and
- d. the social guarantor confirms in writing his/her receipt of the disclosure and his/her willingness to act as a guarantor for the loan/financing product. Upon receipt of the confirmation letter, the FSP shall give the social guarantor a consideration period of five (5) working days to reconsider his/her decision before the social guarantor executes the contract of guarantee.

**2.4 Post-signing stage**

**S 2.4.1** After the disbursement of the loan/financing, a FSP shall send to the social guarantor a copy of the financial consumer's account statement (at least once a year), reminders of late payment and letter of demand, as the case may be.

**S 2.4.2** Upon an application by a social guarantor, a FSP shall allow him/her to withdraw himself/herself as a guarantor, provided that the new social guarantor agrees to take on the present, past and future liabilities of the existing guarantee in respect of the loan/financing.

**S 2.4.3** A FSP shall comply with all the pre-signing disclosure requirements under paragraph 2.3.1 for the new social guarantor.

## 2.5 Requirements upon default by the consumer

- S** 2.5.1 Upon the financial consumer's default in repaying the loan/financing, a FSP shall seek debt repayment, commence debt recovery action and exhaust all modes of execution and enforcement to recover the debt from the financial consumer first before initiating an action in court against the social guarantor.
- G** 2.5.2 For the purpose of paragraph 2.5.1, modes of execution and enforcement include seizure and sale, judgment debtor summon, garnishment and bankruptcy proceedings against the financial consumer.
- G** 2.5.3 If a FSP is still unable to recover the debt from the financial consumer after one year from the date of initiation of legal action against the financial consumer, the FSP may initiate an action in court against the social guarantor.

## 3. Deposit Products (including Islamic Deposits)

### 3.1 Pre-contractual stage

- S** 3.1.1 A FSP shall inform financial consumers of the availability of basic savings account (BSA) and basic current account (BCA) and the key features of such accounts.
- S** 3.1.2 A FSP shall disclose to financial consumers the initial deposit amount required to open an account other than BSA and BCA as well as the minimum deposit to be maintained in the account. The FSP shall inform financial consumers of the consequences of not maintaining the minimum deposit in the account, e.g. the imposition of a monthly service fee.
- S** 3.1.3 A FSP shall inform financial consumers whether a deposit account is insured by Perbadanan Insurans Deposit Malaysia and other related information, including the limit of coverage for the deposit account.
- S** 3.1.4 A FSP shall disclose all applicable fees and charges for a deposit account that must be borne by financial consumers. If a FSP's ATM card allows withdrawals from ATMs abroad, the FSP must disclose the relevant transaction fees.
- S** 3.1.5 A FSP shall disclose to financial consumers the interest/profit rate<sup>22</sup> that will be paid on a deposit account, the frequency of interest/profit payment and any circumstances that might affect the interest/profit payment. For a deposit product with fixed tenure, the FSP shall disclose the effective annual rate/yield together with the deposit rate including in advertisements and any promotional material. The FSP must inform the financial consumers if a minimum deposit amount is required for the account to be eligible for interest/profit. Information on deposit rates including the effective dates of these rates must be prominently displayed at the FSP's business premises and website.

<sup>22</sup> For Islamic deposit products, FSP must adhere to Shariah requirements outlined in the respective policy documents relating to Shariah issued by BNM. For example, the disclosure of indicative deposit rates in advertisements or promotional materials is prohibited under the Policy Document on Qard.

**S 3.1.6** For Islamic deposit products, a FSP shall also inform financial consumers of the Shariah concepts applicable to the deposit product, including the rights and obligations of financial consumers. For example, the concept of *qard* refers to a lending contract where a FSP acts as a borrower. The FSP is bound to repay the principal amount in full to financial consumers upon request. In the case of fixed deposit, the concept of *tawarruq* refers to an arrangement of two sale and purchase contracts. Under the *tawarruq* arrangement, the FSP acts as an agent of financial consumers to purchase commodity on spot basis and subsequently sells the commodity to the FSP on deferred basis, where the FSP pays the amount due to the consumers based on the agreed terms, e.g. lump sum upon maturity.

### **3.2 At the point of entering into a contract**

- S 3.2.1** A FSP shall inform financial consumers of the applicable charges that will be imposed if the account is overdrawn without a prior overdraft arrangement or beyond the overdraft limit when overdraft arrangement exists.
- S 3.2.2** A FSP shall inform financial consumers of its right to set-off any credit balance in the consumers' deposit accounts against any debit balance in other accounts maintained with the FSP. The FSP shall disclose the circumstances in which the FSP will exercise its right to set off the consumers' accounts.
- S 3.2.3** A FSP shall inform financial consumers of any charges on any "stop payment" instruction received from the consumers.
- S 3.2.4** A FSP shall disclose any applicable charges on the early closure of a deposit account within a specified time frame. The FSP shall alert the consumers of the implication of uplifting a fixed deposit account before its maturity.
- S 3.2.5** Should financial consumers choose to operate a joint account, a FSP shall disclose the following information-
- the rights and responsibilities of each accountholder of the joint account;
  - implications of the signing arrangement as specified in the account mandate; and
  - the manner in which such designated signatories or signing arrangement can be varied by one or both of the joint accountholders;
  - the FSP's right to set-off the credit balance in the joint account against the debit balance in another account which is held by one or both of the joint accountholders; and
  - implications to the joint account in the event of the death of one of the joint accountholders.
- S 3.2.6** A FSP shall inform financial consumers of the importance of proper safekeeping of the savings passbook/certificate of deposit, the procedures involved if the savings passbook/certificate of deposit is lost and any applicable fee in obtaining a new savings passbook/certificate of deposit.
- S 3.2.7** A FSP shall inform financial consumers of the circumstances under which a deposit account is designated as dormant/inactive.

- S 3.2.8** A FSP shall inform financial consumers of the importance of notifying the FSP of any change in the financial consumers' contact details and the notification method.

### **3.3 During the term of the contract**

- S 3.3.1** For a deposit account without a passbook, a FSP shall provide an account statement to financial consumers at least on a quarterly basis in a calendar year. If financial consumers request for additional statements, the FSP must inform them of any applicable charges upon the request for such statements. For a deposit account for which statements are made available via a digital channel, the FSP shall clearly disclose the applicable fee in the event financial consumers request for a physical copy of the account statement.
- S 3.3.2** A FSP shall notify financial consumers of any revision to the deposit rate. Notice on the revision shall be prominently displayed at the FSP's business premises and website.
- S 3.3.3** Should there be any change in the terms and conditions, including fees and charges applicable to the deposit account, a FSP shall notify financial consumers at least twenty-one (21) calendar days prior to the effective date of implementation of the revised terms and conditions. Notification to financial consumers shall be done in writing or electronically.
- S 3.3.4** A FSP shall send a reminder without any charge to financial consumers informing about the impending dormancy and ultimate transfer of funds from the account to the Registrar of Unclaimed Moneys (RUM). The reminder by the FSP shall be given within a reasonable time. In the reminder, the FSP shall inform financial consumers of the option to reactivate or close the account before funds in the account are transferred to the RUM. The FSP must notify financial consumers at least twenty-one (21) calendar days before the transfer to the RUM takes place. The FSP must also inform financial consumers on the procedures involved in claiming the moneys from the RUM, upon request by the consumers.

### **3.4 Investment Account**

- S 3.4.1** A FSP shall comply with the disclosure requirements as set out in the Policy Document on Investment Account in relation to an investment account.

## **4. Negotiable Instruments of Deposit (NID)/Islamic Negotiable Instruments (INI)**

- S 4.1** As indicated in paragraph 2.2 under Part A, a FSP shall comply with the disclosure requirements for Negotiable Instruments of Deposit (NID) and Islamic Negotiable Instruments (INI) offered to both financial consumers and institutional customers.
- G 4.2** A FSP may refer to the "Explanatory Notes on NID and INI" for additional guidance.<sup>23</sup>

<sup>23</sup> The "Explanatory Notes on NID and INI" can be obtained from the FAST website.

## Part I. General disclosure requirements for NID and INI

### 4.3 Pre-contractual stage

- S 4.3.1** A FSP shall provide financial consumers and institutional customers with a description and key terms and conditions of the NID/INI product, including-
- a. Type and features-
    - i. Tenure;
    - ii. Issue amount;
    - iii. Issuance at par, premium or discount;
    - iv. Format (e.g. scripless without NID/INI certificates);
    - v. Applicable Shariah contract (for INI); and
    - vi. Underlying asset(s) for INI based on sale contract;
  - b. Interest/profit-
    - i. Proceeds computation; and
    - ii. Frequency of payment;
  - c. Procedures for redemption of interest/profit; and
  - d. Redemption procedures upon maturity.
- S 4.3.2** A FSP shall clearly inform financial consumers and institutional customers that a NID and INI are not protected by Perbadanan Insurans Deposit Malaysia. The FSP shall disclose such information in a warning box in all advertisements and promotion materials.
- S 4.3.3** A FSP shall disclose to financial consumers and institutional customers the nature, amount and frequency of payment of all applicable fees and charges.
- S 4.3.4** A FSP shall alert financial consumers to assess the suitability of a NID/INI product by considering whether-
- a. the NID or INI matches the consumers' investment objective and risk appetite;
  - b. the consumers understand the financial risks and potential losses that may arise from investing in the product; and
  - c. tenure of NID or INI matches the consumers' investment horizon.

### 4.4 At the point of entering into a contract

- S 4.4.1** A FSP shall inform financial consumers and institutional customers of the tenure of the NID/INI and that the principal amount is only guaranteed if held to maturity. The FSP shall also inform financial consumers of the possibility of partial losses on the principal amount due to early withdrawal. For an INI product, the FSP shall clearly disclose that any reduction in the principal or profit payment upon early withdrawal shall be based on the Shariah contract applicable to the INI product.
- S 4.4.2** A FSP shall inform financial consumers and institutional customers of any early termination or callability feature of the NID/INI product. The FSP shall also clearly disclose the terms and conditions, including the return of principal and any accrued interest/income, and how the accrued interest/income is calculated.
- S 4.4.3** A NID/INI product that merely adopts an investment strategy aimed at returning financial consumers' and institutional customers' capital but is not guaranteed,

shall not be represented by a FSP as a capital protected product or any other name that connotes a similar meaning.

- S 4.4.4** A FSP shall clearly disclose to financial consumers and institutional customers any significant risks associated with the NID/INI product.
- S 4.4.5** A FSP shall inform financial consumers and institutional customers of the availability of the following information-
- a. buy-back price of the NID/INI;
  - b. performance of the underlying assets in pricing the NID (only applicable to floating rate NID) or INI (e.g. for INI based on *Mudarabah*); and
  - c. any other prevailing general and operational information on the NID/INI.
- S 4.4.6** A FSP shall provide the following risk warning statement in the PDS and other product document for a NID/INI product with investment tenure of 5 years or less. For a NID/INI product with investment tenure above 5 years, the FSP shall comply with the risk warning statement requirement imposed by the Securities Commission Malaysia.

Format for NID:

**WARNING**

**THIS PRODUCT IS PRINCIPAL GUARANTEED BY THE ISSUING BANK UPON MATURITY ONLY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, CUSTOMER MAY LOSE PART OF THE INITIAL DEPOSIT. THIS PRODUCT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.**

Format for INI based on equity contract:

**WARNING**

**THIS PRODUCT IS NOT PRINCIPAL GUARANTEED. CUSTOMER MAY LOSE PART OR ALL OF THE INITIAL DEPOSIT. THE RETURNS ON THIS PRODUCT ARE UNCERTAIN AND CUSTOMER RISKS EARNING NO RETURNS AT ALL. THIS PRODUCT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.**

Format for INI based on sale contract:

**WARNING**

**THIS PRODUCT IS PRINCIPAL GUARANTEED. CUSTOMER WILL BE PAID THE SELLING PRICE UPON MATURITY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, CUSTOMER MAY LOSE PART OF THE SELLING PRICE. THIS PRODUCT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.**

A FSP shall present the risk warning statement in:

- i. arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an issue or offer of NID/INI products; and
  - ii. arial font bold capital letters, on the first and last page of any advertising or promotional materials, in a font size no smaller than the rest of the content.
- The text must be capable of being read with reasonable ease.

- S 4.4.7** A FSP shall inform financial consumers and institutional customers of the importance of notifying the FSP of any change in contact details and the notification method.

## **Part II. Additional disclosure requirements for Floating Rate NID (FRNID)**

- S 4.5** For FRNID, a FSP shall market and term such product in all advertising materials and contract as "Floating Rate Negotiable Instruments of Deposit". A FSP shall not use terms such as "structured deposits", "structured investment" or any other terms that may be construed as a financial product other than FRNID.

### **4.6 Pre-contractual stage**

- S 4.6.1** Apart from meeting the requirement under paragraph 4.3.1(a), a FSP shall make available the following information in relation to any issue or offer of FRNID-
- a. type and features specification;
  - b. index or underlying assets used; and
  - c. potential interest rate and/or proceeds.

### **4.7 At the point of entering into a contract**

- S 4.7.1** A FSP shall highlight to financial consumers and institutional customers that past performance of the FRNID is not indicative of future performance. The FSP shall include three forward looking scenarios - bull (best case where feasible), flat (moderate case) and bear (worst case) to enhance the understanding of the impact of different scenarios. The assumptions used by the FSP must be reasonable and clearly disclosed. When using past performance of the underlying instruments to project future performance, the FSP shall use actual returns of the most recent five (5) years (or the available period for financial products that have been offered for a shorter period).

- S 4.7.2** A FSP shall inform financial consumers that in the event the financial consumer sell the FRNID to another financial consumer, the FSP that issued the FRNID will conduct an assessment on the buyer's suitability prior to transferring the FRNID to the new buyer and the FSP has the right to refuse such transfer if the assessment indicates a lack of customer suitability.

- S 4.7.3** For a FRNID product with an investment tenure of 5 years or less, a FSP shall substitute the risk warning statement in paragraph 4.4.6 with the format below (the font size requirements still apply). For a FRNID product with an investment tenure exceeding 5 years, the FSP shall comply with the risk warning statement requirement imposed by the Securities Commission Malaysia.

**WARNING**

**THIS PRODUCT IS PRINCIPAL GUARANTEED BY THE ISSUING BANK UPON MATURITY ONLY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, CUSTOMER MAY LOSE PART OF THE INITIAL DEPOSIT AMOUNT. THE RETURNS ON THIS PRODUCT ARE UNCERTAIN AND CUSTOMER RISKS EARNING NO RETURNS AT ALL. THIS PRODUCT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.**

**4.8 During the term of the contract**

- S 4.8.1** A FSP shall provide a statement detailing the performance of the FRNID product to financial consumers and institutional customers at least once a year.

**5. Investment linked to derivatives (ILD)/Islamic investments linked to derivatives (IILD)****5.1 Pre-contractual stage**

- S 5.1.1** A FSP shall provide a description of an ILD/IILD product to financial consumers, including-
- brief explanation of the applicable Shariah concepts, if applicable;
  - capital guaranteed or non-capital guaranteed;
  - investment tenure;
  - yield computation and frequency of yield payment;
  - index or underlying asset(s); and
  - key terms and conditions.
- S 5.1.2** A FSP shall inform financial consumers whether an ILD/IILD product is protected by Perbadanan Insurans Deposit Malaysia. The FSP must disclose such information prominently in all advertisements and promotional materials.
- S 5.1.3** A FSP shall not label an ILD/IILD as “structured deposit” to avoid giving financial consumers the impression that such product is a deposit product.
- S 5.1.4** A FSP shall alert financial consumers to assess the suitability of an ILD/IILD product by considering whether:
- the tenure of the ILD/IILD matches the consumers’ investment horizon;
  - the ILD/IILD product matches the consumers’ investment objectives and risk appetite; and
  - the consumers understand the financial risks and potential losses that may arise from investing in the ILD/IILD.
- S 5.1.5** A FSP shall disclose to financial consumers the nature, amount and frequency of payment of all applicable fees and charges.

**S 5.1.6** A FSP shall ensure that its sales and marketing representatives contacting financial consumers clearly identify the FSP being represented. The FSP shall also ensure that the sales and marketing representatives explain to the consumers the key terms, benefits and risks of an ILD/IILD product.

## **5.2 At the point of entering into a contract**

- S 5.2.1** A FSP shall provide clear and adequate explanation to financial consumers of all material risks of investing in an ILD/IILD product, including potential loss of the principal sum invested if such product is not held to maturity. The FSP shall determine the level of details required to be disclosed to the consumers depending on the complexity and nature of the risks involved. In disclosing the benefits of the ILD/IILD product, the FSP shall provide a balanced view by highlighting the potential upside and downside and clearly state the key assumptions made.
- S 5.2.2** When using past performance of the underlying instruments to project future returns of an ILD/IILD, a FSP shall use actual returns of the most recent five (5) years (or the available period for financial products that have been offered for a shorter period). The FSP shall clearly state that past performance is not indicative of future performance. Likewise, when using any forecast of the economic trends of the markets, the FSP shall include a prominent warning that such forecast is not indicative of the ILD/IILD's future returns;
- S 5.2.3.** A FSP is not allowed to market an ILD/IILD based on projected/expected returns. Illustrations of potential gains and losses through numerical examples based on bull, flat and bear scenarios are allowed to enhance financial consumers' understanding of the impact of different scenarios in relation to such product. If numerical examples are illustrated, the FSP must ensure that all three scenarios are given and shall illustrate losses under the bear scenario, where applicable. The FSP must also ensure that the assumptions used shall be reasonable and shall clearly state such assumptions in the disclosure to the consumers.
- S 5.2.4** A FSP shall ensure that any comparison of performance figures is relevant and accurate, comparing "like to like" so that the presentation to financial consumers is not misleading. The FSP shall also ensure that there is reasonable basis for including any opinion on an ILD/IILD and must clearly disclose that it is a statement of opinion.
- S 5.2.5** For an ILD/IILD product where the market price, value, delivery or payment obligations is solely derived from, referenced to or based on foreign exchange rates, a FSP shall highlight the following risk warning statement at the bottom of every page of any document released and any advertisement on the ILD/IILD product.

**WARNING**

**THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE. THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.**

Where the ILD/IILD is not protected by PIDM, the FSP to add-  
**“THIS INVESTMENT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA”**

The FSP shall present the risk warning statement in:

- i. arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an issue or offer of the ILD/IILD; and
- ii. arial font bold capital letters, on the first and last pages of any advertising or promotional materials, in a font size no smaller than the rest of the content. The text must be capable of being read with reasonable ease.

For an ILD/IILD product other than ILD/IILD products where the market price, value, delivery or payment obligations are solely referenced to or based on foreign exchange rates, a FSP shall comply with the risk warning statement requirement imposed by the Securities Commission Malaysia.

- S 5.2.6** For an ILD/IILD product where the principal sum invested is only guaranteed if held to maturity, a FSP shall highlight to financial consumers the consequence of terminating the investment before maturity. The FSP shall alert financial consumers of any potential loss of the principal amount for early termination. The FSP shall also clearly disclose early termination charges, if any.
- S 5.2.7** If a FSP has the right to redeem an ILD/IILD product before its maturity and with no compensation to financial consumers, the FSP shall highlight its right to the consumers. The FSP shall clearly explain the computation of the impact on returns to the financial consumers. The FSP shall also ensure that the maximum potential loss to financial consumers is limited to the amount of capital invested.
- S 5.2.8** A FSP shall ensure that an ILD/IILD product that merely adopts an investment strategy aimed at returning financial consumers' capital but is not guaranteed, is not represented as a capital protected or capital guaranteed product or by any other name that connotes a similar meaning. The FSP shall ensure that an ILD/IILD product is represented as capital guaranteed only if the guarantee is explicitly provided for by the FSP or a third party which is a FSP licensed under the laws administered by BNM and which fulfils the principles outlined in the Policy Document on *Mudarabah*. The FSP shall also disclose the following information to financial consumers-
- a. name and credit rating of the guarantor, if the guarantor is a third party;
  - b. material terms and scope of the guarantee (e.g. where capital is only guaranteed if held to maturity); and
  - c. appropriate caution about counterparty risks associated with any guarantee, particularly those associated with any third-party guarantor.

- S** 5.2.9 A FSP shall inform financial consumers if a cooling-off period<sup>24</sup> is applicable to an ILD/IILD product and the relevant conditions for such cooling-off period.
- S** 5.2.10 A FSP shall inform financial consumers of the availability of pertinent information on their investments, e.g. recent performance of the index or relevant information on the underlying assets.
- S** 5.2.11 A FSP shall inform financial consumers of the importance of notifying the FSP of any change in their contact details and the notification method.

### 5.3 During the term of the contract

- S** 5.3.1 A FSP shall provide a statement on the performance of an ILD/IILD product to financial consumers at least once a year.

## 6. Electronic Banking Services

### 6.1 Pre-contractual stage

- S** 6.1.1 A FSP shall provide financial consumers with the following information before they sign up for electronic banking (e-banking) services-
  - a. types of transaction that financial consumers can perform via e-banking;
  - b. risks involved in the use of e-banking;
  - c. all applicable fees and charges (i.e. one-time, periodic or transaction basis);
  - d. default daily or transaction limits and the option for financial consumers to change and set their own limits based on their needs and risk appetite;
  - e. precautionary measures that should be taken by financial consumers in ensuring the safe use of e-banking services;
  - f. importance of providing an accurate and up-to-date mobile number to receive transaction alerts from the FSP;
  - g. self-service security feature that allows financial consumers to protect their funds such as “kill switch”; and
  - h. the cooling-off period for any request to increase transfer limits.

### 6.2 At the point of entering into a contract

- S** 6.2.1 A FSP shall provide the terms and conditions for e-banking services to financial consumers at the point they sign up for e-banking services. The FSP must make available the terms and conditions on its website, which can be accessible to the consumers at any time. The FSP shall ensure that the terms and conditions for e-banking, at a minimum cover the following-
  - a. rights and responsibilities of financial consumers;
  - b. duties of the FSP;
  - c. details on how financial consumers can notify the FSP of any unauthorised use of their e-banking;
  - d. the circumstances and the extent to which financial consumers are liable for any unauthorised transactions; and
  - e. information relating to the FSP’s dispute resolution avenue and procedures.

<sup>24</sup> A cooling-off period allows financial consumers to terminate the contract within a specified period and obtain a full refund of the money paid.

- S 6.2.2** A FSP shall inform financial consumers of the importance of reading and understanding the terms and conditions for e-banking services, particularly those terms relating to the consumers' responsibilities in using the e-banking services.
- S 6.2.3** A FSP shall clearly inform financial consumers of their responsibilities, which include the obligation to-
- a. abide by the terms and conditions and use the e-banking services in a responsible manner;
  - b. take reasonable steps to keep the security credentials such as access identification (ID) and passcode as well as any security device<sup>25</sup> secure at all times. These include-
    - i. not to keep a record of the security credentials in a manner that is easily recognisable and accessible to any other person;
    - ii. not to disclose the security credentials to a third party;
    - iii. not to allow anyone to use the consumer's e-banking services; and
    - iv. not to disclose the security credentials to any unsolicited email or SMS and on any website or mobile application other than the FSP's official website to access the e-banking services;
  - c. notify the FSP as soon as reasonably practicable after having discovered that the security credentials or security device for accessing the e-banking services have been compromised, lost or stolen, or that an unauthorised transaction has occurred on the e-banking account;
  - d. notify the FSP immediately upon receiving a transaction alert if the transaction was unauthorised; and
  - e. notify the FSP when there is a change in the financial consumer's contact number that receives transaction alerts.
- S 6.2.4** A FSP shall raise awareness on the safety measures that financial consumers must undertake to prevent unauthorised use of their e-banking services which shall include the following-
- a. create a strong pass code that cannot be easily predicted such as one that uses a mixture of alphabets, numbers and symbols as well as to regularly change the pass code;
  - b. access the e-banking services only via the FSP's legitimate website or mobile application and not to access the FSP's website through hyperlinks from emails or other websites;
  - c. ensure that the device being used to perform e-banking transaction has installed an updated anti-virus software and to update the device's browser and operating system to the latest version;
  - d. check all transaction alerts in a timely manner and report to the FSP as soon as practicable of any unauthorised transaction;
  - e. verify the authenticity of messages sent by FIs and take appropriate action upon detecting that such message is fraudulent;
  - f. check their e-banking account transactions regularly and report any suspicious transaction to the FSP without delay;
  - g. regularly read security tips or warnings posted on the FSP's banking website or mobile banking apps;
  - h. only download the FSP's mobile banking apps from a trusted app store;

<sup>25</sup> "Security device" refers to a token or other devices that generate a passcode.

- i. avoid using public computers for e-banking transactions, such as those at internet café or airport lounge; and
- j. not to respond to any e-mail or SMS with request for personal information without first validating its authenticity.

### **6.3 During the term of the contract**

- S** 6.3.1 A FSP shall take proactive measures and adopt the most effective communication method to regularly remind financial consumers of their responsibilities described under paragraph 6.2.3 and the safety measures that must be undertaken by the financial consumers stated under paragraph 6.2.4 to prevent any unauthorised use of their e-banking services.
- S** 6.3.2 A FSP shall take reasonable steps to provide timely information to financial consumers on the current modus operandi of fraudsters and precautionary measures that should be undertaken by financial consumers to avoid becoming a victim of e-banking fraud.
- G** 6.3.3 Information on the latest modus operandi of fraudsters may be provided to financial consumers through a warning or prominent notice on the FSP's e-banking login page to bring to financial consumers' attention prior to logging into their e-banking accounts.

## **7. Safe Deposit Box/Safe Deposit Box-i**

- S** 7.1 A FSP shall clearly disclose to financial consumers the annual rental and other charges applicable to safe deposit boxes.
- S** 7.2 A FSP shall inform financial consumers of the maximum insurance/takaful coverage provided by the FSP and the circumstances under which the coverage applies to the contents of the safe deposit box. The FSP shall highlight the need for financial consumers to obtain additional insurance/takaful coverage if the coverage provided is insufficient to protect the financial consumers' interests.
- S** 7.3 A FSP shall clearly disclose to financial consumers the limit of the FSP's liability, if applicable.
- S** 7.4 A FSP shall inform financial consumers of the types of items that can be stored in a safe deposit box and those which are prohibited.
- S** 7.5 A FSP shall notify financial consumers of any change in the rental rates and other charges at least twenty-one (21) calendar days prior to the effective date.
- S** 7.6 A FSP shall notify financial consumers at least thirty (30) calendar days prior to the effective date of relocating safe deposit boxes or terminating the service.
- S** 7.7 A FSP shall inform financial consumers of the importance of notifying the FSP of any change in their contact details and the notification method.

### Appendix I - Requirement for Product Disclosure Sheet

<b>Type of Financial Product</b>	<b>Requirement for Product Disclosure Sheet (as specified under paragraph 16.1)</b>	
	<b>Yes</b>	<b>No</b>
<b>Loan/Financing</b>		
Housing Loan/ Home Financing	✓	
Personal Loan/Financing	✓	
Other Loan/Financing	✓	
<b>Deposit Products</b>		
Savings Account		✓
Current Account		✓
Fixed Deposit Account		✓
<b>Investment Products</b>		
Negotiable Instruments of Deposit (NID) and Islamic Negotiable Instruments (INI)	NID/INI products with investment tenure of five years or less.  ✓	For NID/INI products with tenure <b>exceeding five (5) years</b> , a FSP must comply with the Guidelines on Sales Practices of Unlisted Capital Market Products issued by the Securities Commission, and to incorporate information required under paragraph 4 of this Schedule.
Investments Linked to Derivatives (ILD) and Islamic Investments Linked to Derivatives (IILD)	For ILD/IILD where the market price, value, delivery or payment obligations are solely derived from, referenced to or based on <u>foreign exchange rates</u> .  ✓	For <b>other types</b> of ILD/IILD product, a FSP must comply with Guidelines on Sales Practices of Unlisted Capital Market Products issued by the Securities Commission, and to incorporate information required under paragraph 5 of this Schedule.
<b>Electronic Banking</b>		✓
<b>Safe Deposit Box</b>		✓
<b>Other Products</b>	✓	

## Appendix II - Product Disclosure Sheet (Home Loan/Financing)

### PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your housing loan/home financing.

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[Product Name] is a housing loan/home financing calculated on a floating rate basis. You are offering your house as a security for this loan/financing.

*For Islamic home financing, FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Obligations

N1

For this housing loan/home financing as an illustration

- Your loan amount: **RM350,000**
- Your monthly instalment: **RM xx**
- Your loan tenure: **35 years**
- Standardised base rate (SBR)\***x%**
- Effective financing rate:**y% p.a.**

In **total** you will pay **RM xxx,xxx** at the end of 35 years.

It is your responsibility to:



Read and understand the **key terms** in the **contract** before you sign it.



Pay your monthly instalment timely and in full for **35 years**. Speak to us if you wish to settle your loan earlier.



Ensure you can afford to **pay a higher instalment** if the Overnight Policy Rate (OPR) rises.

N2

You also have to pay the following fees and charges:

- Stamp duty: **xx%** of loan amount
- Disbursement fee: **RM x**
- Processing fee: **RM x**
- Wakalah fee (if relevant): **RM x**



Contact us **immediately**, if you are unable to pay your monthly instalment.

\*The SBR is set as the Overnight Policy Rate (OPR) decided by Bank Negara Malaysia. The SBR can rise or fall due to changes in the OPR.

### 3 Know Your Risks

**What happen if you fail to pay your monthly instalments?**

1. You **pay more** in total due to late payment charges, compounding of interest [*if relevant*].
2. We may **deduct** money from a savings account you have with us to set -off your loan balance.
3. We may **foreclose** your property or **take legal action** against you.
4. Your **credit score** may be affected, leading to credit being more difficult or expensive to you.

**Your monthly instalment may increase during the tenure of your loan**

N3

The SBR may increase due to a rise in the OPR set by Bank Negara Malaysia. An increase in SBR means that you have to pay a higher monthly instalment.

	Current Rate	Rate increase by 1%	Rate increase by 2%
Monthly instalment	RM xx	RM xx	RM xx
Total interest/profit cost	RM xxx	RM xxx	RM xxx
Total payment	RM xxxx	RM xxxx	RM xxxx

### 4 Other Key Terms

- Lock-in period: **k** years (to start from dd/mm/ yy)
- Early termination fee: **x%** of outstanding amount or original loan amount
- Indicate if any insurance/takaful coverage is required

**If you have any questions or require assistance on your housing loan/ home financing, you can:**



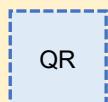
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR  
code above

N4

**Customer's Acknowledgment\***

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

\_\_\_\_\_  
Name:  
Date:

Page 2/2

A FSP must refer to the following table when preparing PDS for a housing loan/home financing product. The red annotations with an "N" numbering are for the FSP's reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
<b>N1</b>	A FSP must disclose the relevant information (i.e. effective financing rate, monthly instalment) in the PDS based on a housing loan/home financing product with a financing amount of <u>RM350,000 for 35 years</u> .
<b>N2</b>	A FSP must disclose the relevant fees and charges for a housing loan/home financing product.
<b>N3</b>	A FSP must provide the table for a housing loan/home financing that is priced against the SBR to illustrate changes in the monthly instalment, interest/profit cost and total repayment amount.
<b>N4</b>	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance (e.g. when the customers face financial difficulties in making repayments).  QR code is only an <u>example</u> of the available avenues. If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to adhere to the disclosure principles under paragraph 9.1.
<b>N5</b>	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms disclosed in the PDS.
<b>Notes:</b> This PDS template for housing loan/home financing replaces the PDS template in the Policy Document on Reference Rate Framework issued on 11 August 2021 and the PDS template in Policy Document on Responsible Financing issued on 6 May 2019.	

## Appendix III - Product Disclosure Sheet (Personal Financing)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information on your personal financing.

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[Product Name] is an unsecured personal financing calculated on a floating / fixed rate basis.

*FSPs to briefly explain how interest/profit is calculated based on the floating / fixed rate.*

*For Islamic personal financing, FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Obligations

N1

For this personal financing, as an illustration

- Your financing amount: **RM100,000**
- Your monthly instalment: **RM xx**
- Your financing tenure: **10 years**
- Interest / profit rate: **x.x%**
- Effective interest / profitrate: **x.x% p.a.**

**In total you will pay RMxxxx** at the end of 10 years.

**It is your responsibility to:**



Read and understand the **key terms** in the **contract** before you sign it.



Pay your monthly instalment timely and in full for **10 years**. Speak to us if you wish to settle your loan earlier.

N2

**You have to pay the following fees and charges:**

- Stamp duty: **x%** of financing amount
- Disbursement fee: **RM xx**
- Late payment charge: **1% p.a. on the amount in arrears**



**Contact us immediately** if you are unable to pay your monthly instalment.

**If you wish to settle your financing early, you should know:**

*FSPs to briefly explain the conditions imposed on financial consumers if they early settle the personal financing.*

### 3 Know Your Risks

#### What happens if you ignore your obligations?

1. You **pay more in total** due to late payment charges and compounding interest.
2. We may **deduct** money from a savings account you have with us to set -off your personal financing balance.
3. We may **take legal action** against you.
4. Your **credit score** may be affected leading to credit being more difficult or expensive to you.

### 4 Other Key Terms

- It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

*FSPs to indicate other key terms for this product.*

If you have any questions or require assistance on your personal financing, you can:



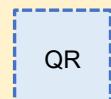
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR  
code above

N3

N4

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

-----  
Name:  
Date:

A FSP must refer to the following table when preparing PDS for a personal financing product. The red annotations with an "N" numbering are for the FSP's reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
N1	A FSP must disclose the relevant information (i.e. effective financing rate, monthly instalment) in the PDS based on a personal financing product with a financing amount of <u>RM100,000</u> for 10 years.
N2	A FSP must disclose the relevant fees and charges for a personal financing product.
N3	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance (e.g. when the financial consumers face financial difficulties in making repayments).  QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
N4	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms disclosed in the PDS.

## Appendix IV - Product Disclosure Sheet (NID / INI)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) is designed to provide you with some key information on your Negotiable Instrument of Deposit (NID) / Islamic Negotiable Instrument (INI).

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 Know your [Product Name]?

This is a Negotiable Instrument of Deposit/Islamic Negotiable Instrument with maturity of xx months/years from the date of issue. The principal amount of this product is guaranteed if it is held to maturity.

*For INI, FSPs to briefly describe the applicable Shariah concept.*

N1

For this NID / INI,

- Maturity date: day/month/year
- Minimum nominal value: above RM xx, in multiples of RM xx
- Issuance: At par, premium or discount
- Interest rate/profit margin: y% p.a.
- Interest/profit payment frequency:(e.g. quarterly, half-yearly, annually)
- Interest/profit proceeds calculation:

You should read and understand the terms and conditions of this product



If you withdraw your money before the maturity date, you may lose part of your initial deposit amount.



We may terminate or redeem the NID/INI prior to the maturity date. The nominal amount of the terminated or redeemed portion will be returned to you together with any accrued interest/profit.

#### 2 Know Your Costs

Type of Service	Payable		Maximum rate of charge
	By	To	
(Examples) Delivery of certificate to authorised depository which is another institution at primary issue	You	Issuer	RM XX per certificate
Maintenance of depository account	You	Authorised Depository	RM XX per year
Upfront, you will be paying RM xx to [FSP Name]			

N2

If you have any questions or require assistance on your [product name], you can:



Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR code above

N3

### 3 Know Your Risks

RISKS	BENEFITS	N4
<p><i>FSPs to provide a summary of the key risks for this product.</i></p>	<p><b>How do I redeem the NID/INI after it matures?</b></p> <p><i>FSPs to provide the procedures for redemption upon maturity.</i></p>	
<p><b>Reminder:</b> You should understand and consider all risk factors carefully before making an investment decision.</p>	<p><b>Reminder:</b> Past performance is not indicative of future performance.</p>	

### 4 Other Key Terms

- Any withdrawal of the NID/INI prior to the maturity date will be at a price that will be published by the issuer and may result in a partial loss of the deposit amount.*

*FSPs to indicate other key terms that customers should be aware of.*

**N5**

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

*\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

-----  
Name:  
Date:

#### WARNING

**THIS PRODUCT IS PRINCIPAL GUARANTEED BY THE ISSUING BANK UPON MATURITY ONLY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, CUSTOMER MAY LOSE PART OF THE INITIAL DEPOSIT AMOUNT. THE RETURNS ON THIS PRODUCT ARE UNCERTAIN AND CUSTOMER RISKS EARNING NO RETURNS AT ALL. THIS PRODUCT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA .**

A FSP must refer to the following table when preparing PDS for a Negotiable Instrument of Deposit (NID) / Islamic Negotiable Instrument (INI) product. The red annotations with an “N” numbering are for the FSP’s reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
N1	FSP must disclose key features, including the financial commitments of consumers regarding the investment product.
N2	A FSP must disclose the relevant fees and charges for the product.
N3	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.  QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
N4	A FSP must highlight the risks and benefits associated with the product.
N5	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer’s acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms disclosed in the PDS.

## Appendix V - Product Disclosure Sheet (ILD / IILD)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) is designed to provide you with some key information on your Investment Linked to Derivatives/Islamic Investment Linked to Derivatives.

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 Know your [Product Name]?

[Product Name] is a foreign exchange rate structured product with an embedded derivative linked to the performance of [xxx] rates. The returns on your investment depend on the performance of [xxx] rates.

*For Islamic products, FSPs to briefly describe the applicable Shariah concept*

N1

For this investment product,

- Minimum investment amount: **RM XX**
- Investment tenure: **z years**
- Principal protection: *FSPs to indicate the level of protection*
- Interest/Profit payable: **y%** per annum during the investment period
- Interest/Profit payment frequency (e.g. *quarterly, half yearly, annually*)
- Interest/profit proceeds calculation:

You should read and understand the terms and conditions of this investment product



Your principal amount is **repayable in full** if you redeem your investment only at **maturity**.



You may receive a sum **lesser** than your principal if you **withdraw all or part of your investment before it matures**.



**There will be a penalty for early withdrawal: RM xx**

N2

#### 2 Know Your Costs

Management fees	RM xx or y% of...
Sales charges	RM xx or y% of...
Penalty for early withdrawal	RM xx or y% of...

If you have any questions or require assistance on your [product name], you can:



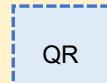
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR code above

N3

### 3 Know Your Risks

RISKS	BENEFITS
<p><i>FSPs to provide a summary of the key risk factors.</i></p>	<p><b>How do I redeem this investment product after it matures?</b></p> <p><i>FSPs to provide the procedures for redemption upon maturity.</i></p>
<p><b>Reminder:</b> You should understand and consider all risk factors carefully before making an investment decision.</p>	<p><b>Reminder:</b> Payment of interest/profit is dependent upon the performance of the underlying asset as stated in the contract.</p>

N4

### 4 Other Key Terms

- It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

*FSPs to indicate other key terms that customers should be aware of.*

N5

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

*\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

-----  
Name:  
Date:

#### WARNING

**THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE. THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS INVESTMENT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.**

A FSP must refer to the following table when preparing PDS for Investment Linked to Derivatives/Islamic Investment Linked to Derivatives products. The red annotations with an "N" numbering are for the FSP's reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
N1	FSP must disclose key features, including the financial commitments of consumers regarding the investment product.
N2	A FSP must disclose the relevant fees and charges for the investment product.
N3	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.  QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
N4	A FSP must highlight the risks and benefits associated with the investment product.
N5	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms disclosed in the PDS.

## SCHEDULE II: INSURANCE/TAKAFUL PRODUCTS

- S** A FSP shall comply with the disclosure requirements under the Policy Document (PD) on Medical and Health Insurance and Takaful, PD on Investment-linked Business, PD on Universal Life Business, PD on Management of Participating Life Business and PD on Broader Application of *Ta'awun* in Takaful in relation to the respective insurance and takaful products.

### 1. Insurance/Takaful Products Distributed via Non-Direct Digital Platforms

- S 1.1** A FSP shall ensure that its intermediaries distributing insurance/takaful products via non-direct digital platforms (NDDPs) clearly and prominently disclose the following information to financial consumers-
- name of the FSP;
  - the type of relationship between the FSP and the intermediary distributing insurance/takaful products via the NDDP;
  - the level of services<sup>26</sup> to be expected from the FSP or intermediary distributing insurance/takaful products via the NDDP;
  - a statement<sup>27</sup> explaining the availability of options (if any) to purchase similar products that provide a rebate on commission or is commission free if purchased from the FSP's direct distribution channels such as the FSP's branches or website, prior to enabling financial consumers to proceed with final confirmation of purchase;
  - a detailed breakdown of premium or takaful contribution amount, commission or remuneration<sup>28</sup>, as well as relevant fees and charges<sup>29</sup>, to be received by the intermediary distributing insurance/takaful products via the NDDP;
  - the free-look period where applicable, immediately after payment (i.e. not via a link to another document); and
  - the premium/takaful contribution refund policy<sup>30</sup>, immediately after payment (i.e. not via a link to another document).
- S 1.2** A FSP shall ensure that its intermediaries distributing insurance/takaful products via NDDPs are prohibited from marking up premium/takaful contribution set by the FSP or imposing any additional charges to financial consumers on the NDDP. For example, if the premium/takaful contribution as priced by the FSP is RM100, the intermediary distributing insurance/takaful products via the NDDP is prohibited from offering the product to financial consumers at RM110 (i.e. RM10 mark-up by the intermediary). The intermediary's remuneration and expenses including platform fees and transaction charges must be borne by the FSP. The FSP shall manage operating costs accordingly in line with the PD on Operating Cost Controls for Life Insurance and Family Takaful Business and PD on Operating Cost Controls for General Insurance and Takaful Business.

<sup>26</sup> This includes information on where financial consumers can obtain more product information or advice and whether consumers can lodge a complaint or make a claim via the digital channel.

<sup>27</sup> This requirement only applies if commissions are paid to the intermediaries.

<sup>28</sup> This includes remuneration in the form of commission (in RM and as a % of the premium/takaful contribution) or fixed fee (in RM) per policy/takaful certificate.

<sup>29</sup> This includes platform fees or transactional charges per policy/takaful certificate, which forms part of the premium/takaful contribution (if any).

<sup>30</sup> FSP may disclose the premium/takaful contribution refund schedule by remaining number of months until the end of coverage period or inform financial consumers how to refer to the detailed refund schedule.

- S 1.3** The requirements under this part also apply to insurance/takaful products offered as an optional add-on purchase<sup>31</sup> or packaged with a financial or non-financial product<sup>32</sup> offered by a FSP or its intermediary distributing insurance/takaful products via NDDP.

## 2. Ordinary Life Insurance/Family Takaful Products

### 2.1 Pre-contractual stage

- S 2.1.1** A FSP shall inform financial consumers that it is licensed under the FSA or IFSA and regulated by BNM. Where insurance/takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the insurance/takaful must be disclosed to financial consumers.
- S 2.1.2** A FSP shall inform financial consumers of the importance of providing sufficient and accurate information to enable the FSP to advise the financial consumers on the suitability of the life insurance/family takaful product, taking into consideration the appropriateness of such product to the financial consumers' needs and circumstances.
- S 2.1.3** A FSP shall provide financial consumers with a description of the life insurance/family takaful product features, including-
- Types of life insurance/family takaful and scope of cover;  
*For example:*
    - Term insurance/takaful** offers insurance protection/takaful coverage for a limited period only, e.g. 10 years. The benefits will be paid only if the insured/takaful participant passes away or if the insured/takaful participant suffers total and permanent disability during the term of the policy/takaful certificate.
    - Whole life insurance** offers life-long protection and premiums are paid throughout the consumers' life. The benefits will be paid when the insured passes away or if the insured suffers total and permanent disability during the term of the policy.
    - Endowment insurance/takaful** combines protection and savings. The benefits will be paid either at the maturity of the policy/takaful certificate, death of the insured/takaful participant or the occurrence of permanent disability during the term of the policy/takaful certificate, whichever is earlier.
  - Whether the insurance/takaful is meant for protection, savings, investment or a combination thereof;
  - For life insurance products, whether the policy is participating in profits immediately or whether it is participating in profits with a deferment period to be specified or whether it does not participate in profits;

<sup>31</sup> This includes offering insurance/takaful products with other financial and/or non-financial products, where the insurance/takaful component may be obtained separately on a standalone basis.

<sup>32</sup> While financial consumers do not make a purchase decision on the insurance/takaful product, clear disclosure of relevant information is still important and must be made.

- d. For insurance/takaful products with guaranteed survival benefits during the policy/takaful certificate term and/or guaranteed maturity benefits, a FSP shall prominently disclose the annualised returns<sup>33</sup> with the disclosure of the guaranteed feature under the policy/takaful certificates in all marketing materials<sup>34</sup> (including sales illustration and brochures) that contain any illustration of returns. Where guaranteed cash pay-outs are offered as part of an insurance/takaful product, a FSP shall not express or illustrate in absolute value or as a percentage, the total or cumulative amount of the guaranteed cash pay-out to policyholder/takaful participant; and
  - e. The details of the riders attached to the main policy/takaful certificate, if any.
- S 2.1.4** For family takaful products, a FSP shall also provide the following information to financial consumers-
- a. Applicable Shariah concepts-
    - i. between takaful participants of the takaful fund for mutual financial assistance; and
    - ii. between the licensed takaful operator and takaful participants in managing the takaful funds;
  - b. The types of funds available under the family takaful certificate, for example, the Participants' Investment Fund (PIF) and Participants' Risk Fund (PRF)-
    - i. the PIF refers to the fund which is a portion of the takaful contributions paid by takaful participants for a takaful product is allocated for the purpose of savings and/or investment; and
    - ii. the PRF refers to the fund used to pool the portion of takaful contribution paid by the takaful participants on the basis of tabarru' (donation) for the purpose of meeting claims on events/risks covered under the takaful contracts;
  - c. In the case of PIF, a FSP shall disclose the following information-
    - i. the investment strategy, types of assets invested to meet the illustrated takaful benefits, future tabarru' payments and other liabilities of the takaful fund; and
    - ii. the potential shortfall of the PIF to meet *tabarru'*, its consequences as well as remedial options available to the participant, e.g. top-up by the participant; and
  - d. For products with savings or investment elements, where participants bear the investment risks, information disclosed must be sufficient to enable understanding of market movements and implications on the takaful funds, including potential shortfall of the PIF and possibility of certificate lapsation.

<sup>33</sup> Refers to the estimated average annual return on the survival/savings benefits that a policyholder/takaful participant will receive over the period of the policy/ takaful certificate until its maturity with respect to the premium/ takaful contribution that the policyholder/takaful participant had paid.

<sup>34</sup> For the avoidance of doubt, the disclosure of annualised returns must be clearly visible and legible in the relevant marketing materials and shall not be disclosed at the bottom of the page and in an obscure manner e.g. in footnotes or in small fonts.

- S 2.1.5** A FSP shall disclose the following information on policy/takaful benefits payable and exclusions-
- a. policy/takaful benefits payable and the circumstances or contingencies upon which policy/takaful benefits are payable by the FSP to financial consumers;
  - b. limitation on policy/takaful benefits and the duration for which it is applicable, if any;
  - c. restrictions of policy/takaful benefits (including lien imposed on the policy/takaful certificate) and exclusions of the insurance policy/takaful certificate to ensure financial consumers understand what is not covered under the policy/takaful certificate; and
  - d. surrender value payable under the policy/takaful certificate and whether it is guaranteed or not guaranteed.
- S 2.1.6** A FSP shall disclose the details of premium/takaful contribution payments, including-
- a. amount of premium/takaful contribution, frequency with which and period over which payment is to be made in respect of the life insurance policy/family takaful certificate. The FSP must inform that the premium/takaful contribution rate is applicable to standard risks and that the policy/takaful certificate terms and rates may vary depending on the underwriting requirements of the FSP;
  - b. for life insurance products, whether the premium rate is guaranteed or non-guaranteed;
  - c. for family takaful products, the allocation of the takaful contribution to the respective funds available under the takaful certificate, e.g. PIF and PRF and whether such product participates in the investment profit and/or surplus of the respective funds available under the takaful certificate and the details of participation. The FSP must advise financial consumers to refer to the product illustration for further information; and
  - d. grace period which gives financial consumers additional period after the due date, for the payment of premium/ takaful contribution.
- S 2.1.7** A FSP shall disclose the nature, amount and frequency of the payment of all applicable fees and charges borne by financial consumers, including the commission/wakalah fee expressed both in terms of aggregate amount and as a percentage of the premium/takaful contribution payable and the purpose of charging the commission/wakalah fee.

## **2.2 At the point of entering into a contract**

- S 2.2.1** A FSP shall inform financial consumers of their contractual rights and obligations, including-
- a. any significant condition or obligation which financial consumers must meet;
  - b. duty of financial consumers in relation to disclosure and representations to the FSP for the insurance/takaful contract and the consequences of failure to disclose the relevant information, provision of inaccurate or false information;
  - c. the importance for financial consumers to ensure that the proposal form is completed accurately as it forms the basis of the insurance/takaful contract;
  - d. requirement for financial consumers to provide proof of age to FSP;
  - e. duration of the life insurance/family takaful contract and date of maturity or date on which the insurance/takaful benefits are payable, if applicable;
  - f. consequences of failure to pay premium/takaful contribution within the due date and grace period and reinstatement provisions;

- g. importance of receiving and keeping the receipt from the FSP as proof of payment of premium/contribution; and
  - h. time frame required by the FSP to issue a policy/takaful certificate.
- S 2.2.2** For family takaful products, a FSP shall also highlight the contents of the proposal form, including-
- a. *aqad* (contract) that binds the takaful participants;
  - b. *aqad* that binds the takaful participants and the licensed takaful operator;
  - c. method of distribution of investment profits and surplus, particularly the sharing ratio; and
  - d. allocation of investment profit, surplus or fees to the licensed takaful operator.
- S 2.2.3** A FSP shall inform financial consumers about the free-look period of fifteen (15) calendar days from the delivery date of the policy/takaful certificate to review the suitability of the policy/takaful certificate. The FSP must highlight that the financial consumers have the right to return the policy/takaful certificate within fifteen (15) calendar days of the delivery of the policy/takaful certificate. Should the financial consumers return the policy/ takaful certificate within the free-look period, the FSP shall refund any premium/takaful contribution which has been paid subject to the deduction of expenses incurred by the FSP for the financial consumers' medical examinations.
- S 2.2.4** A FSP shall warn financial consumers on the possible implications and disadvantages of switching from one type of life insurance policy/family takaful certificate to another or from one FSP to another FSP.
- S 2.2.5** A FSP shall explain to financial consumers the claim procedures and the financial consumers' responsibilities in relation to making a claim against the policy/ takaful certificate.
- S 2.2.6** A FSP shall provide information on nomination and assignment, including the importance of making a nomination and its implications. Financial consumers must be advised to nominate a nominee and ensure that the nominee is aware of the life insurance policy/family takaful certificate that the financial consumers have purchased/participated.
- S 2.2.7** Where a FSP provides provisional insurance protection/takaful coverage from the date of receipt of a payment towards the premium/ takaful contribution, the FSP shall disclose the terms and conditions as well as the limitations attaching to such insurance protection/takaful coverage during the period up to the date of issue of the life policy/family takaful certificate.
- S 2.2.8** Where a FSP does not provide insurance/takaful coverage until the proposal has been examined and accepted by the FSP, the FSP shall inform financial consumers that insurance/takaful coverage will only be provided effective from the date of issue of the life policy/family takaful certificate.
- S 2.2.9** For family takaful products, a FSP shall also provide information on the nature of the benefits from the various takaful funds (i.e. whether it is guaranteed or not guaranteed). A benefit is considered as guaranteed if in the event that the takaful fund is unable to meet the takaful participant's claim, there is an arrangement

made by the FSP to address deficiency in the fund such as through *qard* or outright transfer.

### **2.3 During the term of the contract**

- S 2.3.1** For life insurance contracts, prior to the activation of an automatic premium loan (APL), a FSP shall send a reminder to financial consumers before the premium payment due date.
- S 2.3.2** In the event of non-payment of premium by financial consumers, the FSP shall inform the financial consumers within thirty (30) calendar days after the premium payment due date-
  - a. the APL that has been applied in accordance with the life policy to keep the policy in-force and the interest rate that will be charged on outstanding APL. The FSP must also inform the consumers that the outstanding APL will be deducted from the cash value of the policy; and
  - b. various non-forfeiture options that are available to the financial consumers and the advantages and disadvantages of each option:
    - i. *cash/surrender value* with the caution that financial consumers will only receive an amount which is much less than the premiums paid if the policy is surrendered;
    - ii. *reduced paid-up* and its effect on the sum assured; and
    - iii. *other non-forfeiture options* offered by the FSP such as extended term insurance.
- S 2.3.3** After the APL has been applied for a maximum period of 12 months, a FSP shall write to financial consumers to offer all available non-forfeiture options. The FSP may inform the financial consumers of all available non-forfeiture options prior to the expiry of the 12-month period during which APL is applied. The FSP shall give the consumers ninety (90) calendar days to decide whether to continue the policy on APL or choose another non-forfeiture option such as reduced paid-up or extended term insurance. In the case of trust policies, the FSP shall alert the financial consumers to obtain the trustee's consent for conversion to reduced paid-up or extended term insurance. Once the financial consumers confirm in writing of the chosen non-forfeiture option, the new non-forfeiture option shall be effected on the date of election. The FSP shall continue to apply the default option pending the reply from the financial consumers.
- S 2.3.4** For family takaful certificates, a FSP shall inform financial consumers of the various non-forfeiture options that are available and the advantage and disadvantages of each option should the financial consumers fail to pay takaful contributions within the grace period. The FSP shall provide the following information-
  - a. *cash/surrender value* and *surrender charges*, if applicable, with the caution that financial consumers will only receive an amount which is much less than the takaful contributions paid if the takaful certificate is surrendered; and
  - b. an advance will be made from the PIF to pay the outstanding takaful contributions and the possibility of the takaful certificate lapsing upon exhaustion of the amount in the PIF.

- S 2.3.5** For family takaful certificates, a FSP shall include in the annual statement to financial consumers sufficient warning of potential shortfall of the PIF to meet *'tabarru'*, the consequences of the PIF shortfall and remedial actions to rectify the shortfall.
- S 2.3.6** In the event a FSP's agent ceases to operate or ceases to continue to arrange its life insurance/family takaful products, the FSP must inform the affected financial consumers (either by written notice or via electronic means) of the following-
  - a. that the insurance/takaful agent has ceased to operate or has ceased to continue to arrange its life policies/family takaful certificates;
  - b. new point of contact for policy/ takaful certificate servicing; and
  - c. how future premiums/ takaful contributions can be transmitted to the FSP, if applicable.
- S 2.3.7** A FSP must regularly inform financial consumers on the importance of notifying the FSP of any change in contact details, including the address of the financial consumers, the nominee and/or trustee and the notification method.

### 3. Investment-Linked (IL) Insurance/Takaful Products

#### 3.1 Pre-contractual stage

- S 3.1.1** A FSP shall inform financial consumers that it is licensed under the FSA or IFSA and regulated by BNM. Where insurance/takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the insurance/takaful must be disclosed to financial consumers.
- S 3.1.2** A FSP shall inform financial consumers of the importance of providing sufficient and accurate information to enable the FSP to advise the financial consumers on the suitability of the IL product, taking into consideration the appropriateness of such product to the financial consumers' needs and circumstances.
- S 3.1.3** A FSP shall provide financial consumers with a description of the IL product features, including-
  - a. types of IL product;
  - b. nature of investment including the underlying assets, objectives of the fund and investment strategy of the IL product, to enable the consumers to make a proper assessment of the fund and its potential risks;
  - c. product information contained in the relevant sales/marketing materials;
  - d. availability of the top-up facility and its use as a method to maximise the financial consumer's investment value; and
  - e. basic insurance/takaful coverage, in the event of death and total permanent disability, and the multiple of the premium/takaful contribution paid.
- S 3.1.4** For IL takaful products, a FSP shall also provide the following information to financial consumers-
  - a. applicable Shariah concepts-
    - i. between takaful participants of the takaful fund for mutual financial assistance; and
    - ii. between the licensed takaful operator and takaful participants in managing the takaful funds; and

- b. sufficient information to enable financial consumers to understand market movements and the implications on the takaful funds, including potential shortfall of the PIF and the possibility of takaful certificate lapsing.
- S 3.1.5** A FSP shall disclose the following information on insurance/takaful benefits payable and exclusions-
- a. insurance/takaful benefits payable and circumstances or contingencies upon which insurance/takaful benefits are payable by the FSP to the consumer;
  - b. insurance/takaful benefits will fluctuate based on the underlying performance of the IL fund;
  - c. limitation on insurance/takaful benefits and the duration for which it is applicable, if any;
  - d. restrictions of insurance/takaful benefits (including lien imposed on the policy/takaful certificate) and exclusions under the insurance policy/takaful certificate to ensure that the consumer understands what is not covered under the policy/takaful certificate; and
  - e. surrender value payable under the IL policy/takaful certificate and whether it is guaranteed or not guaranteed.
- S 3.1.6** A FSP shall disclose the details of premium/takaful contribution payments, including-
- a. whether it is a single lump-sum premium/takaful contribution payment product or a regular premium/ takaful contribution product;
  - b. amount of premium/takaful contribution, frequency with which and period over which payment is to be made in respect of regular premium/takaful contribution product. The FSP must inform that the premium/takaful contribution rate is applicable to standard risks and that the policy/takaful certificate terms and rates may vary depending on the underwriting requirements of the FSPs; and
  - c. grace period which gives consumers additional period of time after the due date, for the payment of premium/takaful contribution.
- S 3.1.7** A FSP shall disclose the nature, amount and frequency of the payment of all applicable fees and charges borne by financial consumers, including-
- a. details of commission/wakalah fee borne by consumers expressed both in terms of aggregate amount and as a percentage of the premium/takaful contribution payable for each policy/takaful certificate year; and
  - b. other fees and charges which are not included in the premium/takaful contribution and the purpose for each fee or charge.

### **3.2 At the point of entering into a contract**

- S 3.2.1** A FSP shall disclose the significant risks and benefits of investing in the IL product to facilitate financial consumers in making informed decisions. The FSP shall advise financial consumers to refer to the sales/marketing literature for further information.
- S 3.2.2** In disclosing the benefits, a FSP shall highlight to financial consumers the potential upside and downside of the IL product. Given that returns on IL products are contingent on the underlying asset's performance, the FSP must highlight that past performance is not indicative of future performance.

- S 3.2.3** A FSP shall advise financial consumers to assess the suitability of IL product by considering the following-
- a. whether the allocation of premium/takaful contribution towards protection and investment meets the financial consumers' financial circumstances;
  - b. whether the IL funds chosen match the consumers' investment objectives and risk appetite;
  - c. whether the financial consumers understand the financial risks and potential losses that may arise from investing in the IL product; and
  - d. whether the financial consumers are satisfied that the IL product would best serve the consumers' needs and that the premium/takaful contribution payable under the policy/takaful certificate is affordable.
- S 3.2.4** A FSP shall inform financial consumers of their contractual rights and obligations, including-
- a. any significant condition or obligation which the financial consumers must meet;
  - b. duty of the consumers in relation to disclosure and representations to the FSP for insurance/takaful contracts and the consequences of failure to disclose the relevant information, provision of inaccurate or false information, misrepresentation etc.;
  - c. the importance for financial consumers to ensure that the proposal form is completed accurately as it forms the basis of the insurance/takaful contract;
  - d. requirement for financial consumers to provide proof of age to the FSP;
  - e. consequences of failure to pay premiums/takaful contributions within the due date and grace period and reinstatement provisions;
  - f. importance of receiving and keeping the receipt from the FSP as proof of payment of premiums/takaful contributions by consumers; and
  - g. time frame required by the FSP to issue a policy/takaful certificate.
- S 3.2.5** A FSP shall inform financial consumers about the free-look period of fifteen (15) calendar days from the date of delivery of the policy/takaful certificate to review the suitability of the policy/takaful certificate. The FSP must highlight that financial consumers have the right to return the policy/takaful certificate within fifteen (15) calendar days of the delivery of the policy/takaful certificate after reviewing the terms and conditions of the policy/ takaful certificate. Should financial consumers return the policy/takaful certificate within the free-look period, the FSP shall refund-
- a. the unallocated premium/takaful contribution;
  - b. value of units that have been allocated (if any) at unit price at the next valuation date; and
  - c. any insurance/takaful charge and policy/takaful certificate fee that have been deducted, less medical expenses which may have been incurred.
- S 3.2.6** A FSP shall warn financial consumers on the possible implications and disadvantages of switching from one IL policy/takaful certificate to another IL policy/takaful certificate or from one FSP to another FSP.
- S 3.2.7** A FSP shall explain to financial consumers the claim procedures and the financial consumers' responsibilities in relation to making a claim against the policy/takaful certificate.

- S 3.2.8 A FSP shall also disclose the following information to financial consumers, including-
- a. availability of a surrender/cash value with the caution that the financial consumers will only receive an amount which is less than the premiums/takaful contributions paid if the policy/takaful certificate is surrendered, and the surrender charges, if applicable;
  - b. in the case of premium/takaful contribution holidays, a FSP shall advise financial consumers on the consequences of taking a premium/takaful contribution holiday, including the possibility of the policy/takaful certificate lapsing when the required charges, including rider charges exceed the value of IL fund units available;
  - c. provisions for nomination and assignment, including the importance of making a nomination and its implications. A FSP shall advise financial consumers to nominate a nominee and ensure that the nominee is aware of the policy/takaful certificate that the consumers have purchased;
  - d. where the fund is a guaranteed or capital-guaranteed (by a third-party) and the guarantee is only valid at a certain point in time, it must be disclosed that the guarantee is not valid on premature withdrawal;
  - e. availability of options to vary the level of death benefits and premiums/takaful contributions, and switch IL fund; and
  - f. availability of top-up facility on the financial consumers' existing IL policy/takaful certificate at any time to enhance the investment portion of both single and regular premium/takaful contribution policy/takaful certificate, with or without any change in the insurance/takaful coverage.
- S 3.2.9 For family takaful products, a FSP shall highlight the contents of the proposal form, including-
- a. *aqad* (contract) that binds the takaful participants;
  - b. *aqad* that binds takaful participants and the licensed takaful operator; and
  - c. method of distribution of investment profits and surplus, particularly the sharing ratio.

### 3.3 During the term of the contract

- S 3.3.1 In the event a FSP's agent ceases to operate or ceases to continue to arrange its IL product, the FSP shall inform the affected financial consumers (either by written notice or via electronic means) of the following-
- a. that the insurance/takaful agent has ceased to operate or has ceased to continue to arrange its IL product;
  - b. new point of contact for policy/takaful certificate servicing; and
  - c. how future premiums/takaful contributions can be transmitted to the FSP, if applicable.
- S 3.3.2 For IL takaful products, a FSP shall include in the annual statement to financial consumers sufficient warning of potential shortfall of the PIF to meet *tabarru'*, the consequences of the PIF shortfall and remedial actions to rectify the shortfall.
- S 3.3.3 A FSP shall regularly inform financial consumers on the importance of notifying the FSP of any change in contact details, including address of the financial consumers, the nominee and/or trustee and the notification method.

#### 4. General Insurance/Takaful Products (other than Medical and Health Insurance/Takaful)

##### 4.1 Pre-contractual stage

- S 4.1.1** A FSP shall inform financial consumers that it is licensed under the FSA or IFSA and regulated by BNM. Where insurance/takaful product is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the insurance/takaful must be disclosed to financial consumers.
- S 4.1.2** A FSP must explain to financial consumers the main principles of insurance/takaful which are applicable to the insurance/takaful product, including-
- insurable/permissible takaful interest - an insured/takaful participant must have insurable/permissible takaful interest, i.e. right, title or interest in a property/item/life such that a loss or damage to the property/item/life would result in a financial loss to the insured/takaful participant;
  - duty of financial consumers in relation to disclosure and representation<sup>35</sup> to the FSP for insurance/takaful contracts, the consequences of failure to disclose the relevant information, provision of inaccurate or false information;
  - contract of indemnity<sup>36</sup> - financial compensation to restore, as best as possible, the insured/takaful participant to the same position the insured/takaful participant had enjoyed immediately before the loss; and
  - contribution - the FSP is liable only for the FSP's 'rateable proportion' of the loss in the event an insured/takaful participant has more than one policy/takaful certificate to cover a particular property.
- S 4.1.3** A FSP shall explain the main features of the insurance/takaful product to financial consumers, including-
- Types of cover offered and the scope of each cover;  
*For example:*
    - Motor insurance/takaful:** the available covers are third party; comprehensive; and third party, fire and theft. Third party policy/takaful certificate covers financial consumers against claims for bodily injuries or deaths caused to other persons and loss or damage to third party property caused by the financial consumers' vehicles.
    - Houseowner/householder insurance/takaful:** the available covers are basic fire policy/takaful certificate; houseowner policy/takaful certificate; and householder policy/takaful certificate. The basic fire policy/takaful certificate provides financial consumers with coverage for the building only and covers loss or damage by fire, lightning or explosion.
    - Personal accident (PA) insurance:** the available covers are accidental death, permanent total or partial disablement, temporary total or partial disablement, medical expenses, hospitalisation benefits and funeral expenses. To refer financial consumers to the scale of benefits for death and disablement in the policy/takaful certificate.
  - Exclusions which can be covered with the payment of additional premium/takaful contribution;

<sup>35</sup> Including in relation to subject matter of insurance/takaful and the circumstances pertaining to it.

<sup>36</sup> Not applicable to most personal accident products and certain motor insurance/takaful, e.g. agreed value contract.

*For example:*

- i. **Motor insurance/takaful:** the comprehensive motor policy/takaful certificate can be extended to cover flood, landslide and windscreen damage and/or extensions to cover the passengers.
- ii. **Houseowner/householder insurance/takaful:** the insurance policy/takaful certificate can be extended to cover subsidence, landslip, riot, strike and malicious damage.
- iii. **PA insurance/takaful:** the policy/takaful certificate can be extended to cover death or injury while operating or riding a motorcycle.
- c. Restrictions and exclusions of the policy/takaful certificate to ensure that financial consumers understand what are not covered;

*For example:*

- i. **Motor insurance/takaful:** the standard comprehensive motor policy/takaful certificate does not cover certain losses such as death of or bodily injury to the driver and passengers due to a motor accident and damage to the vehicle arising from an act of nature such as flood and landslide. A FSP must also inform financial consumers on the choice of repairers available to the financial consumers.
- ii. **Houseowner or householder insurance/takaful:** householder policy/takaful certificate does not cover theft claims if there is no evidence of forced and violent entry/exit.
- iii. **PA insurance/takaful:** does not cover death, disability or injury due to war, terrorism, suicide, dangerous sports, and while taking part in military, naval, air force, police or fire service duties. The range of age limits that can be insured under the PA policy/takaful certificate must also be disclosed to financial consumers.

**S 4.1.4** A FSP shall disclose the details of the costs of the insurance/takaful product, including-

- a. premium/takaful contribution breakdown for each cover being purchased by financial consumers. The FSP must explain that the total premium/takaful contribution payable may vary depending on the underwriting requirements of the FSP, where applicable;

*For example:*

**Motor insurance/takaful:** premium/takaful contribution payable will depend on no-claim-discount entitlement of financial consumers and the underwriting requirements of the FSP such as risks of the driver and claims experience.

- b. other fees and charges which are not included in the premium/takaful contribution, and the purpose of each fee or charge (including any possible future fees or charges, such as for changing or cancelling the policy/takaful certificate, handling claims or any other services);
- c. details of commission/wakalah fee borne by financial consumers, expressed both in terms of aggregate amount and as a percentage of the insurance premium/takaful contribution payable and the purpose of charging the wakalah fee; and
- d. the timing of premium/takaful contribution payment and the methods of payment available.

*For example:*

- i. **Motor insurance/takaful:** cash-before-cover requirements. Financial consumers must be advised to pay the premium/takaful contribution directly to the FSP, either by cash, credit card or cheque. Cheque must be made payable only in the FSP's name.
- ii. **Houseowner or householder insurance/takaful:** premium/takaful contribution warranty requirements.

- S 4.1.5** For family takaful products, a FSP shall also provide information on the applicable Shariah concepts-
- a. between takaful participants of takaful fund for mutual financial assistance; and
  - b. between takaful operator and takaful participants in managing the takaful funds.

## 4.2 At the point of entering into a contract

- S 4.2.1** A FSP shall inform financial consumers of their contractual rights and obligations, including-
- a. Any significant condition, warranty or obligation which financial consumers must meet, failing which the FSP may repudiate liability or cancel the cover;  
*For example:*  
**Motor insurance/takaful:** authorised drivers, limitations of use, and limitation on choice of repairers, if any.

- b. Duty of financial consumers in relation to disclosure and representations to the FSP for the insurance/takaful contract and the consequences of failure to disclose the relevant information, provision of inaccurate or false information, misrepresentation, etc.;

*For example:*

- i. **Motor insurance/takaful:** previous accident and modification to the vehicle.
- ii. **PA insurance/takaful:** the occupation and personal pursuits of financial consumers which would affect the risk profile of the consumers and the number of PA policies/takaful certificates that the consumers have purchased from other FSPs.

- c. The importance for financial consumers to ensure that the proposal form is completed accurately as it forms the basis of the insurance/takaful contract;  
*For example:*

**Motor insurance/takaful:** financial consumers must be advised to indicate the usage of the vehicle (i.e. whether for private or business use or for hire).

- d. Importance of insuring/covering the vehicle/property at an appropriate market value and the effect of over-insurance/coverage and under-insurance/coverage when a claim is made (not applicable to PA insurance/takaful)-

i. **Motor insurance/takaful:** a FSP must inform financial consumers-

1. to insure/cover the vehicle at the vehicle's current market value;
2. on the current market value of the vehicle as provided in the vehicle valuation database (VVD) used by the FSP at the point of purchase or renewal;

3. on the VVD that the FSP refers to in providing the vehicle's current market value; and
4. on the betterment charges which may be applicable in their motor insurance/takaful claim.

Where it is provided in the motor policy/takaful certificate that a particular VVD will serve as the reference point to determine the vehicle's market value, the FSP must refer to similar vehicle in the VVD to provide the vehicle's market value during the purchase of the insurance/takaful as well as in the event of a claim;

- ii. **Houseowner/householder insurance/takaful:** a FSP must-
  1. advise financial consumers to ensure the property is adequately insured/covered taking into account the renovations made to the property. The sum insured/covered should cover the cost of rebuilding the property in the event of loss/damage;
  2. explain the basis of compensation for householder policy/takaful certificate, i.e. whether it is on reinstatement or replacement value;
- e. Period of coverage;
- f. Importance of receiving and keeping the receipt from the FSP as proof of payment of premium/takaful contribution; and
- g. Time frame required by the FSP to issue a policy/takaful certificate.

**S 4.2.2** For family takaful products, a FSP shall also highlight the contents of the proposal form, including-

- a. *aqad* that binds the takaful participants; and
- b. *aqad* that binds the takaful participants and the licensed takaful operator.

**S 4.2.3** A FSP shall explain to financial consumers the claims procedures and the consumers' responsibilities in relation to making a claim against the policy/takaful certificate. The information to be provided to financial consumers shall include-

- a. **Motor insurance/takaful:** a FSP must-
  1. disclose the steps to be taken by financial consumers when involved in an accident which include obtaining details of the accident such as the vehicles involved, to lodge a police report within 24 hours of the incident, to notify the FSP immediately and to submit the claims form with complete supporting documents;
  2. inform financial consumers of the repairers they are allowed to send their damaged vehicles to under their policy/takaful certificate;
  3. advise financial consumers holding comprehensive cover on the option to submit a third-party claim to their own licensed ITOs under Own Damage Knock-For-Knock (OD KfK) arrangement. The financial consumers must be informed that their No Claims Discount (NCD) is not affected under an OD KfK, provided that the financial consumers are not at fault;
  4. inform financial consumers of the excess that they need to bear for vehicle damage claims; and
  5. explain any claims for the compensation for assessed repair time (CART), including how the amount for CART is derived;
- b. **Houseowner/householder insurance/takaful:** the amount of compensation depends on the basis of cover (i.e. replacement basis or reinstatement basis). Financial consumers must be advised to specifically declare each item to be

- insured/covered and keep the purchase receipts of the household items to support a claim under the householder policy/takaful certificate; and*
- c. **PA insurance/takaful:** the FSP must inform that if financial consumers have purchased/participated in multiple PA policies/takaful certificates, certain losses such as medical expenses are compensated on reimbursement basis. The financial consumers will be compensated only once for the actual loss suffered.

- S 4.2.4** A FSP shall inform financial consumers of the possible implications of the claims on future renewal of the consumers' policy/takaful certificate.

*For example:*

**Motor insurance/takaful:** imposition of excess or loading, loss of no-claim-discount and increase in premium/takaful contribution.

- S 4.2.5** A FSP shall inform financial consumers that a policy/takaful certificate can be cancelled by financial consumers at any time by giving a written notice to the FSP and that upon cancellation the financial consumers are entitled to a refund of the premium/takaful contribution.

*For example:*

- Motor insurance/takaful and Houseowner/householder insurance/takaful:** Refund of the premium/takaful contribution is on short period rates.
- PA insurance/takaful:** Refund of the premium/takaful contribution can be either based on short period rates or pro-rated basis.

#### **4.3 During the term of the contract**

- S 4.3.1** A FSP shall issue a notice of the expiry of the existing policy/takaful certificate to financial consumers at least thirty (30) calendar days before the expiry date, to ensure that the consumers are given sufficient notice to obtain or renew the insurance/takaful cover.

- S 4.3.2** For homeowner/householder insurance/takaful, a FSP must remind financial consumers to ensure the property is adequately insured/covered in the notice of expiry. The FSP must highlight that the sum insured/covered should cover the cost of rebuilding the property in the event of loss/damage.

- S 4.3.3** For motor insurance/takaful where the vehicle's current market value is provided in the notice of expiry, a FSP shall ensure the market value is based on reference to a credible VVD. If the vehicle's current market value is not available in the VVD, the FSP must inform financial consumers on the recommended market value and the basis for such recommendation at the point of renewal for the motor insurance/takaful cover. The FSP shall also include the following information in the notice of expiry-

- applicable discount or rebate if the financial consumers choose to renew the policy/takaful certificate directly with the FSP;
- no-claim-discount entitlement to the financial consumers; and
- warning statement that it is an offence under the laws of the Republic of Singapore to enter the country without extending passenger liability cover.

- S 4.3.4** A FSP shall inform financial consumers on the importance of notifying the FSP of any change in their contact details. For PA policy/takaful certificate, financial consumers must also be advised to inform the FSP of any change in their life profile, including the occupation and personal pursuits which would affect the risk profile of the financial consumers.

## 5. Medical and Health Insurance/Takaful (MHIT)

- S** A FSP shall comply with the disclosure requirements under this paragraph for all types of individual MHIT policy/takaful certificate, including MHIT rider<sup>37</sup> attached to individual life policy/family takaful certificate and group MHIT policy/takaful certificate referred to under paragraph 3 of Schedule 8 of the FSA/IFSA. For a group MHIT policy/takaful certificate where the group policy/takaful certificate owner has insurable interest/permissible takaful interest, the FSP shall ensure that all product disclosures are provided to the master policy/takaful certificate owners.

### 5.1 Pre-contractual stage

- S 5.1.1** A FSP shall inform financial consumers that it is licensed under the FSA or IFSA and regulated by BNM. Where insurance/takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the insurance/takaful must be disclosed to financial consumers.
- S 5.1.2** A FSP shall inform financial consumers of the importance of providing sufficient and accurate information to enable the FSP to advise the consumers on the suitability of the MHIT product, taking into consideration the appropriateness of such product to the consumers' needs and circumstances.
- S 5.1.3** A FSP shall provide financial consumers with sufficient details of the features of a MHIT product, including-
- types of MHIT products offered, such as medical reimbursement insurance/takaful, critical illness or dread disease insurance/takaful, long term care insurance/takaful, and hospital income insurance/takaful and dental insurance/takaful, and the scope of cover for each type of MHIT product;
  - details of the benefits covered under the MHIT policy/takaful certificate such as what is and what is not covered. For example, medical reimbursement insurance/takaful covers hospital accommodation and nursing expenses, surgical expenses, physicians' expenses and in-patient tests but it does not cover maternity, congenital abnormalities and cosmetic or plastic surgery;
  - amount of insurance/takaful benefits payable under the policy/takaful certificate, when benefits will be payable, and the manner it will be paid such as, reimbursement of medical expenses incurred by the financial consumer and a lump sum payment of sum insured/participated or payment of an income stream at regular intervals for the period that the financial consumer is incapacitated or hospitalised; and

<sup>37</sup> "rider" refers to a supplementary or extension of cover attached to a base life policy/family takaful certificate (issued either on a standalone basis or as a rider) that adds benefits to or amends the terms of the base life policy/family takaful certificate to provide additional coverage.

- d. details of the events, circumstances or contingencies upon which insurance/takaful benefits are payable.
- S 5.1.4** For family takaful products, a FSP shall also provide information on the applicable Shariah concepts-
- a. between takaful participants of the takaful fund for mutual financial assistance; and
  - b. between the licensed takaful operator and takaful participants in managing the takaful funds.
- S 5.1.5** A FSP shall provide adequate information regarding insurance/takaful benefits, exclusions and limitations, pre-existing conditions, specified illnesses and waiting period as specified in the PD on Medical and Health Insurance/Takaful Business. The FSP shall inform financial consumers whether any specific cover ceases at a pre-determined age of the policy/takaful certificate anniversary.
- S 5.1.6** A FSP shall clearly disclose the details of the premium/takaful contribution payments, including-
- a. amount of premium/takaful contribution, the frequency of payment and the period over which the premium/takaful contribution is payable. The FSP must qualify that the total premiums/takaful contributions payable may vary, depending on the underwriting requirements of the FSP, where applicable;
  - b. premium/takaful contribution rates table showing the premium/takaful contribution of the MHIT product for all ages at the point of entering into the contract;
  - c. possible conditions that would lead to the following scenarios on policy/takaful certificate renewal-
    - i. policy/takaful certificate is renewed with a level premium/contribution;
    - ii. policy/takaful certificate is renewed with an increased premium/takaful contribution; or
    - iii. policy/takaful certificate is not renewed.A FSP shall highlight that the possible conditions are not exhaustive and that the premium/takaful contribution rates may be reviewed under other justified circumstances.
  - d. whether the premium/takaful contribution remains at the same level or may vary on renewal. Where premiums/takaful contributions have varied before, a FSP must provide statistics on the annual increase in the standard premium/takaful contribution for the MHIT product over the last three years for selected sample ages at entry of 30, 40, 50 and 60. A FSP must alert financial consumers that the past trends on the increase in premium/takaful contribution rates do not necessarily reflect the future trend;
  - e. the FSP's right to revise the premium/takaful contribution on policy/takaful certificate renewal; and
  - f. deductibles and co-insurance/co-takaful borne by the consumers under co-payment terms, if applicable.
- S 5.1.7** A FSP shall disclose the amount and frequency of the payment of all applicable fees and charges borne by financial consumers, including-
- a. commission/wakalah fees expressed both in terms of aggregate amount and as a percentage of the premium/takaful contribution payable for each policy/takaful certificate year for a stand-alone and group policy/takaful

- certificate. For MHIT riders, the commission payable must be expressed in aggregate amount for each policy/takaful certificate year; and
- b. other fees and charges which are not included in the premium/takaful contribution and the purpose of each fee or charge.

## 5.2 At the point of entering into a contract

- S** 5.2.1 A FSP shall inform financial consumers of their contractual rights and obligations, including-
- a. any condition or obligation which financial consumers must meet, failing which the FSP may repudiate liability or cancel the policy/takaful certificate;
  - b. duty of financial consumers in relation to disclosure and representation to the FSP and the consequences of failure to disclose the relevant information, provision of inaccurate or false information;
  - c. the importance for financial consumers to ensure that the proposal form is completed accurately as it forms the basis of the insurance/takaful contract;
  - d. period of coverage;
  - e. the importance of receiving and keeping the receipt from the FSP as proof of payment of premium/takaful contribution by financial consumers; and
  - f. the time frame required by the FSP to issue a policy/takaful certificate.
- S** 5.2.2 For family takaful products, a FSP shall also highlight the contents of the proposal form, including-
- a. *aqad* that binds the takaful participants; and
  - b. *aqad* that binds the takaful participants and the licensed takaful operator.
- S** 5.2.3 A FSP shall inform financial consumers about the free-look period of fifteen (15) calendar days from the delivery date of the policy/takaful certificate. The FSP must highlight to financial consumers they have the right to return the policy/takaful certificate within 15 calendar days of the delivery of the policy/takaful certificate. Should financial consumers return the policy/takaful certificate within the free-look period, the FSP shall refund any premium/takaful contribution which has been paid subject to deduction of expenses incurred by the FSP for the financial consumers' medical examinations.
- S** 5.2.4 A FSP shall warn financial consumers on the implications and disadvantages of switching policy/takaful certificate from one MHIT policy/takaful certificate to another or from one FSP to another FSP.
- S** 5.2.5 A FSP shall explain to financial consumers the claim procedures and the consumers' responsibilities in relation to making a claim against the policy/takaful certificate. The FSP shall provide the list of panel hospitals/clinics where financial consumers can seek treatment, if applicable.
- S** 5.2.6 A FSP shall inform financial consumers that the MHIT policy/takaful certificate can be cancelled by the consumers at any time by giving a written notice to the FSP. The FSP must also inform that for certain types of MHIT policy/takaful certificate financial consumers are entitled to a certain amount of premium/takaful contribution refund provided that the financial consumers have not made a claim on the policy/takaful certificate.

### **5.3 During the term of the contract**

- S 5.3.1** A FSP shall issue a expiry notice to financial consumers at least thirty (30) calendar days before the expiry date of the policy/takaful certificate. The FSP shall provide a notice to inform the consumers that the policy/takaful certificate or rider will automatically terminate if the policy/takaful certificate anniversary nearest to the 70th birthday of the insured/takaful participant is reached.
- S 5.3.2** A FSP shall notify financial consumers of any changes to the insurance/takaful benefits and premium/takaful contribution of a MHIT policy/takaful certificate and the reason for the change, at least thirty (30) calendar days before the change takes effect. This is to ensure that the consumers are aware of the change, given adequate time to reassess their insurance/takaful needs and to look for alternative product, if necessary.
- S 5.3.3** A FSP must ensure that financial consumers are informed of any change in its panel hospitals/clinics at least thirty (30) calendar days prior to the effective date of the change.
- S 5.3.4** In the event a FSP's agent ceases to operate or ceases to continue to arrange its MHIT products, the FSP must inform the affected financial consumers (either by written notice or via electronic means) of the following-
  - a. that the insurance/takaful agent has ceased to operate or has ceased to continue to arrange its MHIT products;
  - b. new point of contact for policy/takaful certificate servicing; and
  - c. how future premium/takaful contribution can be transmitted to the FSP, if applicable.
- S 5.3.5** A FSP shall inform financial consumers of the importance of notifying the FSP of any change in their contact details.

### **5.4 Disclosure requirements for marketing materials**

- S 5.4.1** A FSP shall disclose the exclusions or limitations of a MHIT policy/takaful certificate in the marketing materials. The disclosure shall at least cover the following areas-
  - a. A statement alerting financial consumers that there are exclusions and limitations in insurance/takaful benefits, and how and where additional information on the exclusions and limitations could be obtained;
  - b. Important exclusions and limitations of insurance/takaful benefits and the circumstances in which the exclusions and limitations apply;
  - c. Important pre-existing conditions, specified illnesses and the qualifying period applicable;
  - d. Waiting period, deductibles, reimbursements, co-insurance/takaful, residence overseas, overseas treatment and the circumstances in which the limitations and exclusions apply; and
  - e. A statement alerting financial consumers that the exclusions and limitations highlighted are not exhaustive and that the full information are stipulated in the insurance/takaful contract.

## Appendix VI - Requirement for Product Disclosure Sheet

<b>Type of Product</b>	<b>Requirement for Product Disclosure Sheet<sup>1</sup></b>	
	<b>Yes</b>	<b>No</b>
Ordinary Life Insurance/Family Takaful	✓	
Investment-Linked Insurance/Takaful	✓	
Motor Insurance/Takaful	✓	
Houseowner/Householder Insurance/Takaful	✓	
Personal Accident Insurance/Takaful	✓	
Medical and Health Insurance/Takaful	✓ <sup>2</sup>	
Other Products	✓	

**Notes:**

1. For riders to an insurance/takaful product offering a variety of benefits<sup>38</sup>, a FSP must provide a separate PDS for such riders. The FSP must provide the PDS for the riders together with the PDS for the basic insurance or takaful plan.
2. The sample PDS for medical reimbursement insurance/takaful products (i.e. hospital/surgical) is specified in the Policy Document on Medical and Health Insurance/Takaful Business. For other types of MHIT products (i.e. critical illness or dread disease insurance/takaful, long-term care insurance/takaful, hospital income insurance/takaful, dental insurance/takaful), a FSP must use the PDS template specified in this Policy Document.

<sup>38</sup> Examples of riders offering a variety of benefits include medical reimbursement riders, critical illness riders and hospitalisation income riders. Examples of riders not offering a variety of benefits are riders that waive premium/contribution upon events like death or total permanent disability.

## Appendix VII - Product Disclosure Sheet (Ordinary Life Insurance/Family Takaful)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information on your life insurance/family takaful.

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[Product Name] offers insurance/takaful protection for [xx] years. It pays a lump sum death benefit if you die or suffer total and permanent disability during the term of the policy/certificate.

*FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Coverage/Benefits

N1

As an illustration, for **RM xx annually**, you will receive the following life insurance / family takaful coverage / benefits:

N2

Death	<b>RM500,000</b>
Total and Permanent Disability	<b>RM500,000</b>
Additional Coverage / Benefits	<i>FSPs to indicate other additional coverage available</i>

Your life insurance/family takaful **excludes**:

- Suicide - if death was due to suicide within [ x ] years, your nominee will **not** receive any money.
- Medical conditions that you had, or had symptoms of, before buying the plan (i.e. pre-existing condition)

*FSPs to highlight other exclusions for this product.*

**Note:** This list is **non-exhaustive**. You must refer to the insurance policy/takaful certificate for the full list of exclusions.

If you have any questions or require assistance on your life insurance / family takaful, you can:



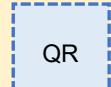
Call us at  
XXX - XXX - XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR  
code above

N3

### 3 Know Your Obligations

**For this life insurance/family takaful, you must pay a premium/takaful contribution of:**

Premium/contribution	<b>RM xx (annually)</b> <i>[FSPs to indicate the rate of increase for products with non-level premium/contribution]</i>
----------------------	---

Duration: until the age of **xx years**

N4 You also have to pay the following fees and charges:

Stamp duty	<b>RM xx</b>
Commission/ Wakalah fee	<b>x% of premium/contribution or RM xx</b> <i>[FSPs to indicate the total commission/wakalah fee for products with regular premium/contribution payment]</i>
Other applicable charges	<b>RM xx</b>

### 4 Other Key Terms

- You must disclose all material facts such as medical condition and state your age correctly. Otherwise, you may risk having your claim rejected or policy terminated.

N5 *FSPs to highlight other key terms that customers should be aware of.*

Note: This list is **non-exhaustive**. You should refer to the policy/certificate for the full list of terms and conditions.

#### ? Can I cancel my policy / certificate?

Yes, you may cancel your policy/certificate by giving a written notice to us.

- Free-look period:** you may cancel your policy/certificate by returning the policy/certificate within 15 days after your policy/certificate has been delivered to you. The premium/contribution that you have paid (less any medical fee incurred) will be refunded to you.
- Written Notice:** *FSPs to highlight the process for a cancellation request (after free-look period) and include information on any applicable cancellation fees or refunds.*

#### N6 Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

-----  
Name:  
Date:

A FSP must refer to the following table when preparing PDS for a life insurance/family takaful product. The red annotations with an “N” numbering are for the FSP’s reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
<b>N1</b>	A FSP must disclose the premium/takaful contribution to be paid by a financial consumer who is seeking coverage for death benefit and total permanent disability of <u>RM500,000</u> , assuming that the financial consumer is male, healthy and aged 30.
<b>N2</b>	A FSP must clearly disclose all additional coverage that financial consumers may opt for together with the basic life insurance/family takaful product.  For riders to the basic product offering a variety of benefits, the FSP must provide a <b>separate PDS</b> for such riders. The PDS must be provided together with the PDS for the basic life insurance/family takaful product.
<b>N3</b>	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.  QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
<b>N4</b>	A FSP must disclose the relevant fees and charges for the life insurance/family takaful product.
<b>N5</b>	A FSP must highlight key terms, including but not limited to the following: 1. Premium/contribution payment beyond the grace period may result in policy/certificate lapse and may affect future benefit payouts. 2. The premium/contribution or cost of insurance/ <i>tabarru'</i> may increase automatically following a medical repricing exercise for premium/contribution waiver rider and payor benefit rider.
<b>N6</b>	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer’s acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions .

## Appendix VIII - Product Disclosure Sheet (Investment-Linked Insurance/Takaful)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information on your investment linked insurance/takaful.

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[Product Name] offers a combination of insurance protection and investment. If you die or are totally and permanently disabled during the term of the policy/certificate, it pays the [total or higher of] [death/total permanent disability] benefit [and/or] the value of the investment units, at the time of claim.

*For Investment Linked Takaful, FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Coverage / Benefits

N1

As an illustration, for RM xx [annually/semi-annually], you will receive the following insurance / takaful coverage:

Death	RM 500,000
Total and Permanent Disability	RM 500,000
Additional Coverage	<i>FSPs to indicate other additional coverage available.</i>

N2

Your investment linked insurance/takaful **excludes:**

- Suicide - if death was due to suicide within [ x] years
- Medical condition that you had before buying this plan (i.e. pre-existing condition)

*FSPs to highlight other exclusions for this product.*

**Note:** This list is **non-exhaustive**. You must refer to the insurance policy/takaful certificate for the full list of exclusions.

N3

If you have any questions or require assistance on your investment linked insurance / takaful, you can:



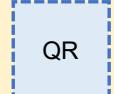
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR  
code above

### 3 Know Your Obligations

**For your investment linked insurance/takaful , you must pay a premium/takaful contribution of:**

Premium/Takaful contribution	<b>RM xx (annually/semi-annually)</b> <i>[FSPs to indicate the rate of increase for products with non-level premium/contribution.]</i>
Duration: until the age of <b>xx</b> years	
The insurance company/takaful operator allocates a portion of the premium/contribution to purchase units in your chosen investment fund(s).	
Premium/contribution allocated to purchase units	<b>X% of premium/contribution or RM xx</b> Please refer to the Sales Illustration for more details
<b>You also have to pay the following fees and charges:</b>	
Stamp duty	<b>RM xx</b>
Commission/Wakalah fee	<b>x% of premium/contribution or RM xx</b> <i>[FSPs to indicate the total commission/wakalah fee for products with regular premium/contribution payment]</i>
Other applicable charges	<b>RM xx</b>

### 4 Other Key Terms

N5

- You must disclose all material facts such as medical condition and state your age correctly. Otherwise, you may risk having your claim rejected or policy terminated.
- The cash value of this product depends on the performance of your chosen fund(s).

*FSPs to highlight other key terms that customers should be aware of.*

**Note:** This list is **non-exhaustive**. You should refer to the policy/certificate for the full list of terms.

?

#### Can I cancel my policy / certificate?

Yes, you may cancel your policy/certificate by giving a written notice to us.

- **Free-look period:** You may cancel your policy/certificate by returning the policy/certificate within 15 days after your policy/certificate has been delivered to you. The premium/contribution that you have paid (less any medical fee incurred and subject to the IL/ILT fund(s)' unit price fluctuations) will be refunded to you.

*FSPs to highlight the process for a cancellation request (after the free-look period) and include information on any cancellation fee or refunds.*

N6

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

Name:  
Date:

A FSP must refer to the following table when preparing PDS for an investment linked insurance/takaful product. The red annotations with an “N” numbering are for the FSP’s reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
<b>N1</b>	A FSP must disclose the premium/takaful contribution to be paid by a financial consumer who is seeking coverage for death benefit and total permanent disability of <u>RM500,000</u> , assuming that the financial consumer is male, healthy and aged 30.
<b>N2</b>	A FSP must clearly disclose all additional coverage that financial consumers may opt for together with the basic investment linked insurance/takaful product.  For riders to the basic product offering a variety of benefits, the FSP must provide a <b>separate PDS</b> for such riders. The PDS must be provided together with the PDS for the basic investment linked insurance/takaful product.
<b>N3</b>	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.  QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
<b>N4</b>	A FSP must disclose the relevant fees and charges for the investment linked insurance/takaful product.
<b>N5</b>	A FSP must highlight other key terms, including but not limited to: <ol style="list-style-type: none"> <li>1. The premium/contribution or cost of insurance/’tabarru’ may increase automatically following a medical repricing exercise for premium/contribution waiver rider and payor benefit rider.</li> <li>2. Premium/contribution payment beyond grace period and partial withdrawal may result in policy/certificate lapse and may affect future benefit payouts.</li> </ol>
<b>N6</b>	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer’s acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions .

## Appendix IX - Product Disclosure Sheet (Motor Insurance/Takaful)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information on your motor insurance/takaful.

Other customers have read this PDS and found it helpful;  
you should read it too.

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[Product Name] is an insurance policy/takaful certificate against liabilities to other parties for injury or death, damage to other parties' property, and accidental or fire damage to your vehicle or theft of your vehicle.

*For motor takaful, FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Coverage

N1

As an illustration, for RM xx annually, you will receive the following coverage:

Sum Insured / Sum Covered	RM50,000
No Claim Discount (NCD) Entitlement	0%
*Additional Coverage (This is purchased with an additional premium/takaful contribution)	<p><i>For example:</i></p> <ul style="list-style-type: none"> <li>• Windscreen coverage with sum insured / sum covered: RM xx</li> <li>• Basic flood coverage (Additional xx% to the basic premium/takaful contribution)</li> </ul>

N2

##### Your policy/takaful certificate covers:

- Liability to other parties for injury or death
- Damage to other parties' property
- Damage to your vehicle due to accident or fire
- Theft of your vehicle
- Damage arising from flood and landslide

##### Your motor policy/takaful certificate excludes:

- Your own death or bodily injury due to motor incident
- Your liability against claims from passengers in your vehicle
- Depreciation, wear and tear, rust and corrosion, mechanical / electronic breakdown or malfunction

*FSPs to include any exclusion on excess (e.g. for unnamed drivers).*

If you have any questions or require assistance on your motor insurance policy / takaful coverage, you can:



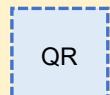
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR code above

N3

### 3 Know Your Obligations

**For this motor insurance policy/takaful certificate , you must pay a premium/takaful contribution of:**

Base premium/takaful contribution	RM xx
(-) 0% NCD entitlement	RM xx
(+) Additional coverage	RM xx
(+) 6% Service tax	RM xx
(+) Stamp duty	RM xx
(+) Commission / (-) Rebate for direct channel	<b>xx% or RM xx</b>
<b>Total premium / takaful contribution payable</b>	<b>RM xx</b>

N4

### ⚠️ IMPORTANT INFORMATION YOU SHOULD KNOW

A	The duration of coverage is 1 year. You need to renew the insurance/takaful cover annually.
B	The insurance/takaful will only be effective once you have paid the premium/contribution (cash before cover).
C	You must ensure that your vehicle is insured/covered at the appropriate amount as it will affect the amount you can claim.
D	In the event of an accident, you should notify us the soonest possible. You may do so by: 1. xxx 2.yyy
	<i>FSPs to also highlight the digital avenues available for customers to notify, in the event of an accident.</i>
E	<i>FSPs to inform customers on the choice of repairers available to the customers.</i>

N5

### ❓ Can I cancel my policy/certificate?

- Yes. You may cancel your policy/certificate at any time by giving a written notice to us. Upon cancellation, you are entitled to a partial refund of the premium/contribution provided you have not made a claim.

*FSPs to highlight the process for a cancellation request and include information on any applicable cancellation fee or refunds.*

N6

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

*\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

Name:  
Date:

Page 2/2

A FSP must refer to the following table when preparing PDS for a motor insurance/takaful product. The red markings with an "N" numbering are for the FSP's reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
<b>N1</b>	A FSP must disclose the amount of premium/takaful contribution to be paid by a financial consumer based on a sum insured of <u>RM50,000</u> with a <u>0%</u> NCD, assuming that the financial consumer is male and aged 30.
<b>N2</b>	<p>A FSP must disclose all additional coverage that financial consumers may opt for together with the basic motor insurance/takaful product.</p> <p>For add-ons or riders to the basic plan offering a variety of benefits, the FSP must provide <b>a separate PDS</b>. The PDS must be provided together with the PDS for the basic motor insurance/takaful product.</p>
<b>N3</b>	<p>A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.</p> <p>QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.</p>
<b>N4</b>	A FSP must disclose the premium/takaful contribution, relevant fees and charges. This includes the premium/takaful contribution for each additional coverage.
<b>N5</b>	A FSP must disclose all available avenues (including digital platforms) for financial consumers to notify and submit a claim in the event of an accident. This includes the procedures and key timeframes, where financial consumers are required to take actions to support their claims.
<b>N6</b>	<p>It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.</p> <p>A financial consumer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions .</p>

## Appendix X - Product Disclosure Sheet (Houseowner/Householder Insurance/Takaful)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) is designed to provide you with some key information on your houseowner/householder insurance/takaful.

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[**Product Name**] protects your property against loss or damage caused by fire, lightning, explosions, floods, burst pipes and other perils stated in the policy/certificate.

*FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Coverage

N1

As an illustration, for **RM xx** [annually / semi-annually], you will receive the following houseowner/householder insurance/takaful **coverage**:

This policy/certificate <b>covers</b> :	This policy/certificate <b>excludes</b> :
<ul style="list-style-type: none"> <li>Loss or damage to your building due to fire, lightning and explosion caused by gas used for domestic purposes;</li> <li>Loss or damage to your building by aircraft, road vehicles or animals, bursting or overflowing of water tanks or pipes, theft, windstorm, earthquake and flood; and</li> <li>Loss of rent.</li> </ul>	<ul style="list-style-type: none"> <li>Loss or damage to household contents</li> <li>Loss or damage due to subsidence landslip, riot, strike and malicious damage;</li> <li>Coverage for fatal injury to the insured</li> </ul> <p><i>FSPs to indicate other exclusions.</i></p>

N2

By paying an **additional** premium/contribution, you can expand the coverage to include:

- Subsidence, landslip, riot, strike and malicious damage;
- Liability to third parties for accidents in your house.

*FSPs to indicate other additional coverage.*

The duration of coverage is 1 year. You need to renew your policy/certificate annually .

If you have any questions or require assistance on your houseowner/ householder insurance/takaful, you can:



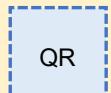
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR  
code above

N3

### 3 Know Your Obligations

N4

**For this insurance/takaful, you must pay a premium/takaful contribution of:**

Standard Cover	<b>RM xx (annually / semi-annually)</b>
Additional Cover	<b>RM xx (annually / semi-annually)</b>

**You also have to pay the following fees and charges:**

Stamp duty	<b>RM xx</b>
Commission / Wakalah fee	<b>x% of premium/contribution or RM xx</b>
Other applicable charges	<b>RM xx</b>

### 4 Other Key Terms

- You must give all the facts in your application form fully and accurately.
- You must ensure that your property is insured at the appropriate amount taking into account the renovation made to your property. The sum insured/covered should cover the cost of rebuilding the property in the event of loss/damage.

*FSPs to highlight other key terms that customers should be aware of.*

**Note:** This list is **non-exhaustive**. You should refer to the policy/certificate for the full list of terms and conditions.

?

#### Can I cancel my policy/certificate?

- Yes. You may cancel your policy/certificate at any time by giving a written notice to us. Upon cancellation, you are entitled to a partial refund of the premium/contribution provided you have not made a claim.

*FSPs to highlight the process for a cancellation request and include information on any applicable cancellation fees or refunds.*

N5

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

*\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

-----  
Name:  
Date:

A FSP must refer to the following table when preparing PDS for a houseowner/householder insurance/takaful product. The red annotations with an "N" numbering are for the FSP's reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
N1	A FSP must disclose the amount of premium/takaful contribution to be paid by a financial consumer based on a sum insured of <u>RM500,000</u> for a <u>landed property</u> .
N2	A FSP must clearly disclose all additional coverage that financial consumers may opt for together with the basic houseowner/householder insurance/takaful product.
N3	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.  QR code is only an <u>example</u> of the avenues. If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
N4	A FSP must disclose the relevant premium/contribution, fees and charges for the houseowner/householder insurance/takaful product. The FSP must provide a breakdown of the premium/contribution for each additional coverage.
N5	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

## Appendix XI - Product Disclosure Sheet (Personal Accident Insurance/Takaful)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) is designed to provide you with some key information on your personal accident insurance/takaful.

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[Product Name] provides compensation in the event of injuries, disability or death caused solely by accidental means.

*For takaful product, FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Coverage

N1

As an illustration, for **RM xx** [annually/semi-annually], you will receive the following **coverage**:

This policy/certificate <b>covers:</b>	This policy/certificate <b>excludes:</b>
<ul style="list-style-type: none"> <li>Accidental death - <b>RM50,000</b></li> <li>Permanent disablement - <b>RM50,000</b></li> </ul>	<ul style="list-style-type: none"> <li>War related risks</li> <li>Suicide</li> <li>Self-inflicted injury</li> <li>Drug abuse</li> <li>Hazardous sports</li> </ul> <p><i>FSPs to highlight other major exclusions</i></p>

N2

By paying an additional premium/contribution, you can expand the coverage to include:

- xxx
- yyy

*FSPs to indicate additional coverage available*

The duration of coverage is xx months. You need to renew your policy/certificate semi -annually/annually.

If you have any questions or require assistance on your personal accident insurance/takaful, you can:



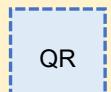
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR  
code above

N3

### 3 Know Your Obligations

N4

For this personal accident insurance/takaful, you must pay a premium/takaful contribution of:

Standard Cover	RM xx (annually/semi-annually)
Additional Cover	RM xx (annually/semi-annually)
Total premium / takaful contribution you must pay is RM xx	
<b>You also have to pay the following fees and charges:</b>	
Stamp duty	RM xx
Commission / Wakalah fee	x% of premium/contribution or RM xx
Other applicable charges	RM xx

### 4 Other Key Terms

- You must provide complete and accurate information in the application form.
- You must disclose all material facts such as your occupation and personal pursuits.

FSPs to highlight other key terms that customers should be aware of.

Note: This list is non-exhaustive. You should refer to the policy/certificate for the full list of terms and conditions.

### ? Can I cancel my policy/certificate?

- Yes. You may cancel your policy/certificate at any time by giving a written notice to us.

FSPs to highlight the process for a cancellation request and include information on any applicable cancellation fee or refunds.

N5

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

-----  
Name:  
Date:

A FSP must refer to the following table when preparing PDS for a personal accident insurance/takaful product. The red annotations with an “N” numbering are for the FSP’s reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
<b>N1</b>	A FSP must disclose the amount of premium / takaful contribution to be paid by a financial consumer based on a sum insured of <u>RM50,000</u> , assuming that the financial consumer is an office worker and aged 30.
<b>N2</b>	A FSP must clearly disclose all additional coverage that financial consumers may opt for together with the basic personal accident insurance/takaful product.  For add-on or rider to the basic plan offering a variety of benefits, the FSP must provide <b>a separate PDS</b> . The PDS must be provided together with the PDS for the basic personal accident insurance/takaful product.
<b>N3</b>	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.  QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
<b>N4</b>	A FSP must disclose the relevant premium/contribution, fees and charges for the personal accident insurance/takaful product. The FSP must provide a breakdown of the premium/contribution for each additional coverage.
<b>N5</b>	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer’s acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions .

## Appendix XII - Product Disclosure Sheet (Medical and Health Insurance/Takaful)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information on your medical and health insurance/takaful .

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

*For critical illness product:*

[Product Name] is an insurance/takaful product which provides coverage for specified critical illnesses.

*For hospitalisation income product:*

[Product Name] is an insurance/takaful product which offers cash benefit upon hospitalisation .

*For takaful products, FSPs to briefly describe the applicable Shariah concept.*

#### 2 Know Your Coverage/Benefits

N1

As an illustration , for **RM xx** [annually/semi-annually], you will receive the following **coverage**:

N2

Coverage	<b>RM100,000</b>
----------	------------------

Additional Coverage / benefits	<i>FSPs to indicate other additional coverage available</i>
--------------------------------	---

The critical illnesses covered under this product include:

1. Cancer
2. Stroke
3. Heart attack

**Note:** This is not a complete list. Please read your policy contract/certificate for details on the critical illnesses covered.

Your medical and health insurance/takaful **excludes**:

- Medical conditions that you had before buying the plan (i.e. pre-existing condition).

*FSPs to highlight all exclusions for this product.*

If you have any questions or require assistance on your medical and health insurance / takaful, you can:



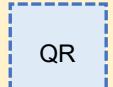
Call us at  
XXX - XXX - XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



Scan the QR  
code above

N3

### 3 Know Your Obligations

**For your medical and health insurance/takaful , you must pay a premium/takaful contribution of:**

Premium / contribution	<b>RM xx (annually/semi-annually)</b>
------------------------	---------------------------------------

Duration: until the age of <b>xx</b> years
--

**You also have to pay the following fees and charges:**

Stamp duty	<b>RM xx</b>
------------	--------------

Commission/ Wakalah fee	<b>x% of premium/contribution or RM xx</b>
-------------------------	--

Other applicable charges	<b>RM xx</b>
--------------------------	--------------

### 4 Other Key Terms

- You must disclose all material facts such as medical condition and state your age correctly. Otherwise, you may risk having your claim rejected or policy terminated.
- Your coverage will only start [ **xx** ] calendar days from the effective date of the policy/ certificate.

**FSPs to highlight other key terms that customers should be aware of.**

**Note:** This list is **non-exhaustive**. You should refer to the policy/certificate for the full list of terms and conditions.

### ? Can I cancel my policy / certificate?

Yes, you may cancel your policy/certificate by giving a written notice to us.

- **Free-look period:** you may cancel your policy/certificate by returning the policy/certificate within 15 days after your policy/certificate has been delivered to you. The premium/contribution that you have paid (less any medical fee incurred) will be refunded to you.

**FSPs to highlight the process for a cancellation request (after free-look period) and include information on any applicable cancellation fees or refunds.**

N5

#### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.  
 I have read and understood the key information contained in this PDS.

\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

-----  
Name:  
Date:

A FSP must refer to the following table when preparing PDS for medical and health insurance/takaful product. The red annotations with an "N" numbering are for the FSP's reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
N1	A FSP must disclose the amount of premium/takaful contribution to be paid by a financial consumer who is seeking coverage for <u>RM100,000</u> , assuming that the financial consumer is male, healthy and aged 30.
N2	A FSP must disclose all additional coverage that a financial consumer may opt for together with the basic medical and health insurance/takaful product.  For add-ons or riders to the basic plan offering a variety of benefits, the FSP must provide <b>a separate PDS</b> . The PDS must be provided together with the PDS for the basic medical and health insurance/takaful product.
N3	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any question or require assistance.  QR code is only an <u>example</u> of the avenues . If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to meet the disclosure principles under paragraph 9.1.
N4	A FSP must disclose the relevant fees and charges for the medical and health insurance/takaful product.
N5	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions .

## SCHEDULE III: PAYMENT INSTRUMENTS

A FSP shall comply with disclosure requirements in respect of the relevant payment instruments as provided under the Policy Documents on Credit Card, Credit Card-i, Charge Card, Charge Card-i, Debit Card and Debit Card-i.

### 1. Electronic money

#### 1.1 Pre-contractual stage

- S** 1.1.1 A FSP shall inform financial consumers of the basic features of the electronic money (e-money) instrument, including the types of payment or transaction that can be made with the e-money instrument. The FSP shall highlight to financial consumers that the e-money instrument is not a deposit account and will not earn any interest/profit.
- S** 1.1.2 A FSP shall clearly disclose to financial consumers all applicable fees and charges in relation to the e-money instrument, the amount and frequency of payment.
- S** 1.1.3 A FSP must ensure that its sales and marketing representatives contacting financial consumers identify the FSP being represented. The FSP must ensure its sales and marketing representatives explain to financial consumers the key terms, benefits and risks of the e-money instrument being offered by the FSP.

#### 1.2 At the point of entering into a contract

- S** 1.2.1 A FSP shall ensure that the written terms and conditions of the e-money instrument are made readily available to financial consumers. The FSP shall advise financial consumers to read and understand the terms and conditions before entering into the contract with the FSP. The FSP shall also highlight the terms that have implication on the consumers' liabilities or obligations.
- S** 1.2.2 A FSP shall inform financial consumers of the relevant charges for e-money transactions made outside Malaysia.
- S** 1.2.3 A FSP shall inform financial consumers of their obligations to take reasonable steps to protect their e-money instrument and security credentials such as personal identification number (PIN). The FSP shall alert financial consumers not to disclose their e-money instrument and security credentials to any third party. The FSP shall also inform financial consumers that they may be liable for any losses due to the financial consumers' negligence.
- S** 1.2.4 A FSP shall inform financial consumers on the procedures to notify the FSP of the loss, theft or malfunction of the e-money instrument.
- S** 1.2.5 A FSP shall inform financial consumers of the circumstances under which the credit balance in the e-money instrument will be refunded to the financial consumers, the time frame required for the FSP to process a refund as well as the applicable fees and charges.

- S** 1.2.6 A FSP shall provide financial consumers with the contact details of its customer service unit for the financial consumers to make an enquiry or complaint. The FSP must clearly disclose the procedures for financial consumers to lodge a complaint.

**1.3 During the term of the contract**

- S** 1.3.1 A FSP shall notify financial consumers of any change in fees and charges applicable to the e-money instrument at least twenty one (21) calendar days prior to the effective date of implementation of such change.
- S** 1.3.2 A FSP shall notify financial consumers of any change in the terms and conditions at least twenty one (21) calendar days before the new terms and conditions take effect. A FSP's communication to financial consumers must be done through written or electronic notification.

## Appendix XIII - Product Disclosure Sheet (e-money)

### PRODUCT DISCLOSURE SHEET

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information on your electronic money instrument (e-money).

Other customers have read this PDS and found it helpful;  
**you should read it too.**

FSP Logo and Name

Date: \_\_\_\_\_

#### 1 What is [Product Name]?

[**Product Name**] is an e-money which contains monetary value that has been pre-loaded by you. The amount stored in your account will be deducted whenever you make a purchase using your e-money. You must make sure there is enough balance in your e-money account before making payment using your e-money. The balance in your e-money account will not earn any interest/profit.

#### 2 Know Your Obligations

**It is your responsibility to read these key terms:**

1. You must safeguard your e-money and must **not** disclose your personal identification number (PIN) to any person.

*FSPs to highlight key terms that affect customers' obligations, including any conditions on transaction limits, liability due to loss of the e-money or fraud.*

Fees & Charges	Amount
Annual fee	RM xx
Overseas transaction conversion fee	RM xx
Other fees and charges	RM xx

N1

#### 3 Know Your Risks

**What happens if you ignore your obligations?**

1. You will be **liable for losses** due to your failure to safeguard your e-money and your PIN.

Call us **immediately** at [**FSP's contact number**] if you lose your e-money or an unauthorised transaction has been made using your e-money

## 4 Other Key Terms

FSPs to indicate the circumstances under which the credit balance in the e-money account will be refunded to customers and the time frame required for the FSP to process a refund.

FSPs to include other key terms that customers should be aware of.

If you have any questions or require assistance on your e-money account, you can:



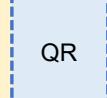
Call us at  
XXX-XXX-XXXX



Visit us at:  
[https://\[productspecific webpage\].com](https://[productspecific webpage].com)



Email us at:  
XXX@Xmail.com



QR  
Scan the QR  
code above

N2

N3

### Customer's Acknowledgment\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that [FSP name] has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

-----  
Name:  
Date:

A FSP must refer to the following table when preparing PDS for an e-money instrument. The red annotations with an “N” numbering are for the FSP’s reference only. They must be removed from the PDS to be provided to financial consumers.

A FSP has the flexibility to use appropriate infographics, illustrations or colours to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
N1	A FSP must disclose all applicable fees and charges related to the use of the e-money instrument .
N2	A FSP must indicate the available avenues for financial consumers to contact the FSP should they have any questions or require assistance.  QR code is only an <u>example</u> of the available avenues. If a FSP includes QR code to direct financial consumers to further information about the product, the FSP is reminded to adhere to the disclosure principles under paragraph 9.1.
N3	It is <u>optional</u> for a FSP to include this section for financial consumers to acknowledge that they have read and understood the PDS.  A financial consumer’s acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions disclosed in this PDS.

## SCHEDULE IV: CROSS-BORDER SETTLEMENT SERVICES

### 1. Disclosure Requirements

- S 1.1** A FSP shall provide relevant information specified under paragraphs 1.2 and 1.3 to financial consumers in a timely, comparable, easily accessible and understandable manner.
- S 1.2** A FSP shall disclose, at a minimum, the following information to financial consumers-
  - a. Prior to the execution of payment:
    - i. a detailed breakdown of the fees payable by the sender for making outward payments and by the beneficiary for receiving inward payments;
    - ii. daily actual, contracted or reference exchange rate, where applicable, used for the payment transaction; and
    - iii. cut-off time for same-day processing of the sender's request by the sending FSP and the corresponding estimated timeframe taken for the crediting of funds by the receiving FSP;
  - b. After the execution of payment: the status of the transaction to be made available to the sender by the timeframe specified in paragraph 1.2(a)(iii) in an easily accessible manner; and
  - c. Cancellation: the cancellation procedures should financial consumers decide to cancel their transactions. In the event the cancellation is due to the FSP's failure to honour the transaction, the FSP shall refund the funds to financial consumers without undue delay.
- S 1.3** A FSP shall disclose the information specified under paragraph 1.2 for all cross-border settlement services to facilitate comparison and informed decision-making by financial consumers. The FSP shall disclose, at a minimum, the information specified in the standard templates in Appendices XIV and XV.
- S 1.4** A FSP shall make available the information described in paragraphs 1.2 and 1.3 at all its branches and website.

**Appendix XIV - Template for disclosure of cross-border settlement services**

Type of Services	Fees and charges	Cut-off time for transaction to be processed
<b>IMPORT</b>		
<b>Example:</b>		
1.1 Import Letter of Credit		
Issuance		
Amendment		
Cancellation		
Cost of wire/TT*/SWIFT**/cable charges		
Service charges (e.g. handling, advising, commission, etc.)		
<b>EXPORT</b>		
<b>Example:</b>		
2.1 Export Letter of Credit		
Confirmation		
Cost of wire/TT/SWIFT/cable charges		
Service charges (e.g. handling, advising, commission, etc.)		
Other charges (e.g. stamp duty, postage, courier, etc.)		

**Notes:**

\* TT refers to Telegraphic Transfer

\*\* SWIFT refers to the Society for Worldwide Interbank Financial Telecommunication

**Appendix XV - Foreign exchange counter rates**

<b>Code</b>	<b>Foreign currency</b>	<b>Unit</b>	<b>Selling TT*/OD*</b>	<b>Buying</b>	
				<b>TT*</b>	<b>OD*</b>

**Notes:**

\* TT refers to Telegraphic Transfer

\*\* OD refers to On Demand rate