

Personal Financing & Credit Card

– Product Features & Regulatory Framework

At the end of this module, you will know:



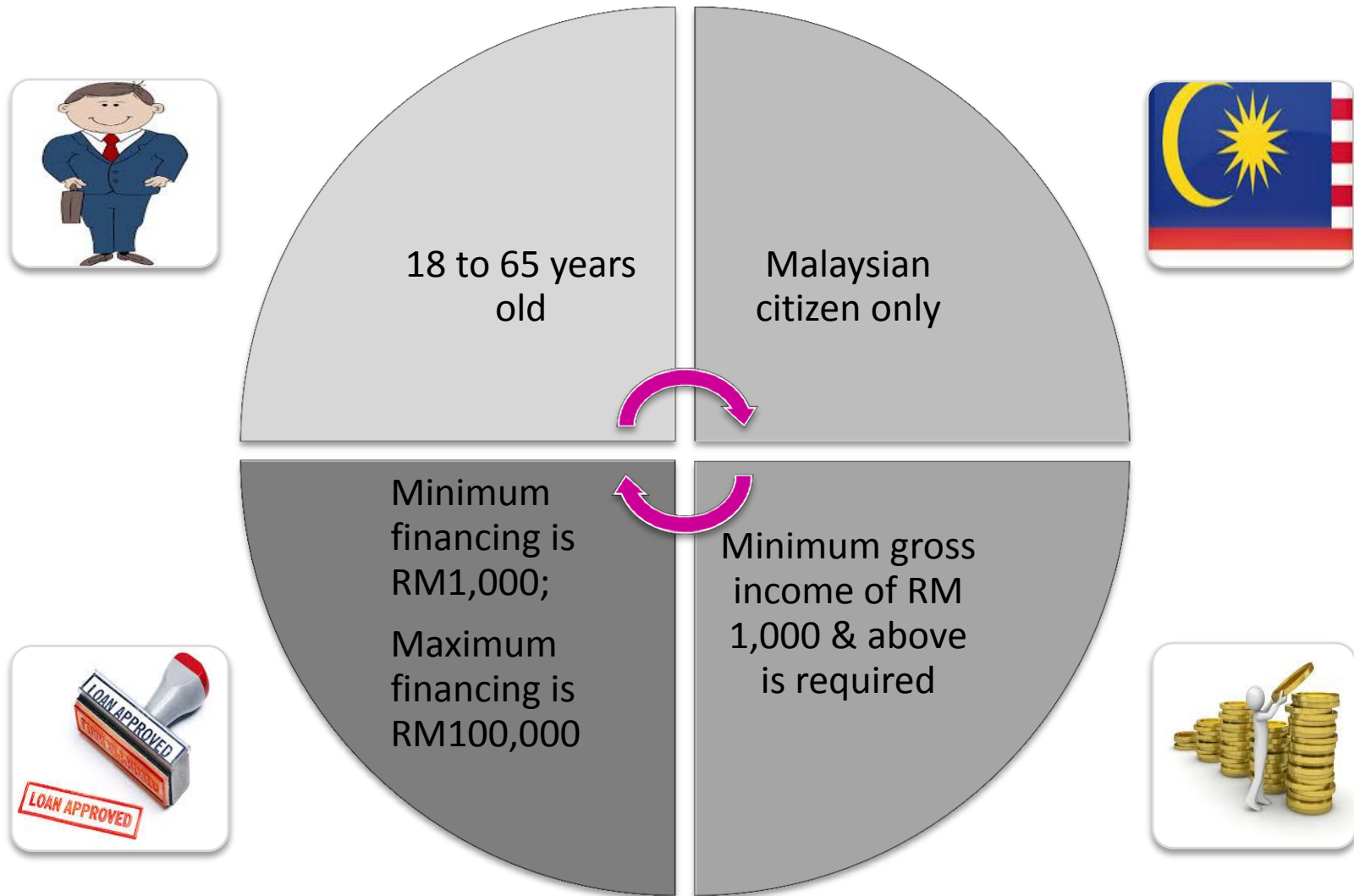
The concept and product features of Personal Financing scheme introduced by AEON Credit Service (M) Berhad (“AEON Credit”)



Bank Negara Malaysia’s requirement on AEON Credit’s Personal Financing scheme



- AEON i-Cash PF is a financing product offered by AEON Credit to finance education, home renovation, fulfilment of lifestyle needs etc.
- AEON i-Cash PF is an Islamic unsecured financing facility, with a fixed profit rate.
- The applicable Shariah concept is ***Bai Al-Inah*** concept (sell-buy back with installment payment).



Processing Fees

4% for financing amount \leq RM10,000
2% for financing amount $>$ RM10,000
Maximum fee is capped at RM400

Stamp Duty

RM5 on every RM1,000 of the financing amount

Profit Rate

*effective 1 Oct 2018

Gross Income	Min Finance Amount	Max Finance Amount	Max Tenure	*Monthly Profit Rate
\geq RM2,000	RM1,000	RM100,000	84 months	0.66%-1.50%
$<$ RM2,000	RM1,000	RM10,000	60 months	1.20%-1.50%

**subject to customer gross income and credit profile*

Financing Tenure

6 to 84 months

All fees and charges are subject to Government Tax (if applicable)

1. Personal Financing Application Form

- Must be complete and duly signed by the Applicant.
- *Exception: Telemarketing Applications / E-Form.*

2. Proof of Identification

- Clear copy of MyKad/ MyTentera/ MyPolis

3. Employment Pass/ Work Permit (*Applicant who work outside Malaysia)

- Singapore : Clear, readable and valid copy of R,S or Employment Pass
- Brunei : Clear, readable and valid copy of Working Permit

4. Income Documents (based on 2 factors):

- Type of Income
 - ✓ Salaried : Fixed Income Earner
 - ✓ Salaried : Variable Income Earner (Commission / Non Commission)
 - ✓ Self - Employed
- Type of Pay slip
 - ✓ Convincing
 - ✓ Non Convincing



Fixed Income Earner

Location	Convincing	Unconvincing
Work in Malaysia	<p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>or</u></p> <p>Latest EPF Statement</p>	<p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none">• Latest EPF Statement; <u>or</u>• Latest one (1) month Salary Crediting Bank Statement; <u>or</u>• Latest EA Form; <u>or</u>• Latest tax return with IRB receipt
Work in Singapore	<p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>or</u></p> <p>Latest CPF Statement</p>	<p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>and</u></p> <p>Latest CPF Statement</p>

Variable Income Earner – Non Commission Earner

Location	Convincing	Unconvincing
Work in Malaysia	<p>Minimum latest three (3) months pay slip; <u>or</u></p> <p>Latest EPF Statement</p>	<p>Minimum latest three (3) months pay slip; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none">• Latest EPF Statement; <u>or</u>• Latest three (3) months Salary Crediting Bank Statement; <u>or</u>• Latest EA Form; <u>or</u>• Latest tax return with IRB receipt
Work in Singapore	<p>Minimum latest three (3) months pay slip; <u>or</u></p> <p>Latest CPF Statement</p>	<p>Minimum latest three (3) months pay slip; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none">• Latest three (3) months Salary Crediting Bank Statement; <u>or</u>• Latest CPF Statement <u>or</u>• Latest Notice of Assessment (NOA)

Variable Income Earner – Commission Earner

Location	Convincing	Unconvincing
Work in Malaysia	<p>Minimum latest six (6) months commission statement; <u>or</u></p> <p>Latest EPF Statement</p>	<p>Minimum latest six (6)_months commission statement; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none">• Latest six (6) months Salary Crediting Statement; <u>or</u>• Latest EPF Statement; <u>or</u>• Latest Annual Commission Statement; <u>or</u>• Latest tax return with IRB receipt
Work in Singapore	<p>Minimum latest six (6) months commission statement; <u>or</u></p> <p>Latest CPF Statement</p>	<p>Minimum latest six (6)_months commission statement; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none">• Latest six (6) months Salary Crediting Bank Statement; <u>or</u>• Latest Notice of Assessment (NOA); <u>or</u>• Latest Annual Commission Statement; <u>or</u>• Latest CPF Statement



Sole Proprietor & Partner

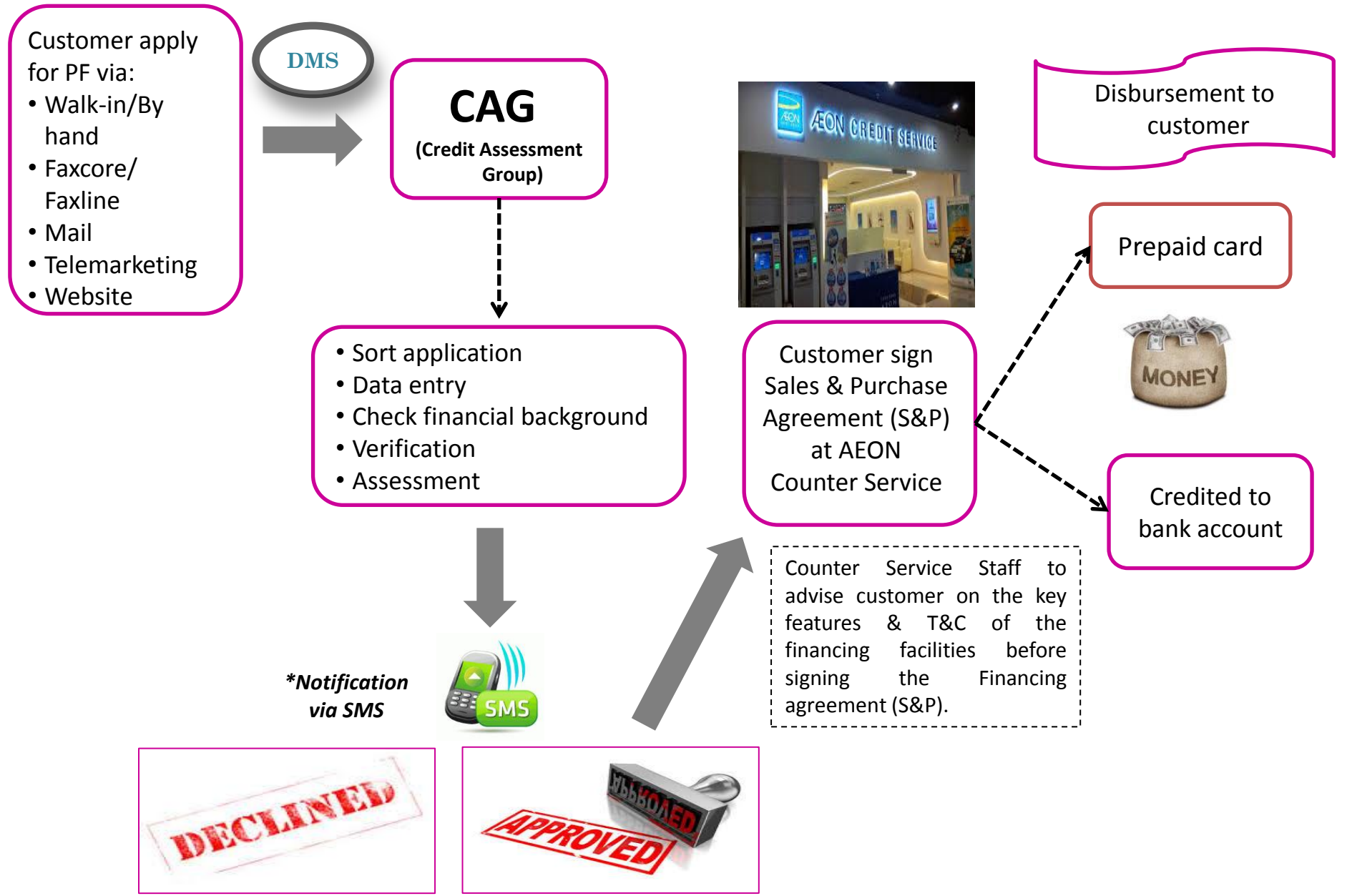
Location		
Peninsular Malaysia	Sabah	Sarawak
<p>Latest and complete SSM and Latest Form D;</p> <p><u>And</u> <u>Any one (1)</u> of the following;</p> <ul style="list-style-type: none">• Latest six (6) months Personal Saving Account / Personal Current Account / Company Bank Statements; <u>or</u>• Income Tax Return Form (Form B) and Tax Payment Receipt.	<p>Latest Form B (Business License);</p> <p><u>And</u> <u>Any one (1)</u> of the following;</p> <ul style="list-style-type: none">• Latest six (6) months Personal Saving Account / Personal Current Account / Company Bank Statements; <u>or</u>• Income Tax Return Form (Form B) and Tax Payment Receipt.	<p>Registration Certification and Latest Business License and Details of Business Owners;</p> <p><u>And</u> <u>Any one (1)</u> of the following;</p> <ul style="list-style-type: none">• Latest six (6) months Personal Saving Account / Personal Current Account / Company Bank Statements; <u>or</u>• Income Tax Return Form (Form B) and Tax Payment Receipt.

Salaried Director of Company

- Applicant is a Director and receives salary form Company
- Applicant does not hold any shares in the Company stated in the Personal Financing Applicant Form
- Required Income Document : Refer to **Salaried – Work in Malaysia**

Shareholder of Company

- Applicant holds shares in the Company stated in the Personal Financing Applicant Form
- Required Income Document
 - ✓ Form 9, Form 49, Form 24; **and**
 - ✓ **Any one (1)** of the following:
 - Latest **six (6)** months Company Bank Statements; or
 - Latest Income Tax Return Form (Form B) **and** Tax Payment Receipt





BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

- BNM has issued a directive to govern AEON Credit's Personal Financing:-

Order for Financial Stability pursuant to Central Bank of Malaysia Act 2009 dated 5/7/2013



What is the maximum tenure allowed for all Personal Financing (PF) products under the Order for Financial Stability?

- The tenure for all PF products shall not exceed 10 years.
- This requirement does not apply to existing PF facilities which are restructured or rescheduled due to financial distress.

Product Offering

- Shall NOT offer Pre-approved PF products to any customers.
- PF can only be granted:-
 - upon receiving a written acceptance from the customer of an offer; and
 - the application is approved based on affordability assessment.



How does AEON Credit introduce any new PF scheme / product ?



- All new products to be introduced must be approved by the Board of Directors, having regard to suitability of such products in promoting responsible borrowing by household. The Board must :
 - a) consider the market segment(s) for a product to be introduced; and
 - b) ensure the product's features and marketing strategies do not expose consumers in the target segment(s) to excessive risks;

Lending institutions shall take reasonable steps to establish that the customer is offered financing product that is appropriate to their customer's financial circumstances and ability to repay by observing a prudent debt service ratio (DSR).

A prudent DSR level is one that allows for sufficient buffers for the customer to deal with any potential future increase in financing rates, income volatility and other costs.

Debt Service Ratio (DSR)

DSR =	<div>Aggregate amount of outstanding debt repayment obligations from all lending institutions plus new financing instalment</div> <div>Income after statutory deductions (i.e. tax, EPF, SOCSO)</div>
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The DSR shall not exceed 60% for customer segment deemed to be more vulnerable to financial strains

AEON Credit has set DSR $\leq 60\%$ for applicants with net monthly income range between RM800-RM2,000

INCOME

To determine DSR, AEON Credit must enquire on customer's sources and amount of income



What if the customer
doesn't have a fixed
income?

For non-fixed income applicants:

- ✓ Evaluate the variable income for a period of at least 3 months.
- ✓ Evaluate income for at least 6 months (for non-permanent employment or self-employed).
- ✓ Verify income against reliable sources.
- ✓ Consider month-to month variance. A longer period of variable income can be regarded as consistent income.
- ✓ Exclude one-off variable income such as windfall gains (winnings of lottery, contest, gift, etc).

- Lending institutions shall conduct a comprehensive check on a customer's overall indebtedness

HOW TO CONDUCT THE COMPREHENSIVE CHECK ?

1. Refer to the Central Credit Reference Information System (CCRIS)

2. Make specific inquiries on financing products which the customer may have with other lending institutions including credit sale contract(s).

3. Alert the customer of his duty to disclose complete and correct information in the financing application.

Required for each new & additional financing product offered to customers

If the amount and terms allow the customer to reasonably meet the aggregate payment obligations, without recourse to debt relief, it shall be considered “Affordable” to the customer

Suitability and Affordability Assessment

Payment of PF product shall not be structured with bulk of payments towards end of tenure, from retirement funds of the customer.

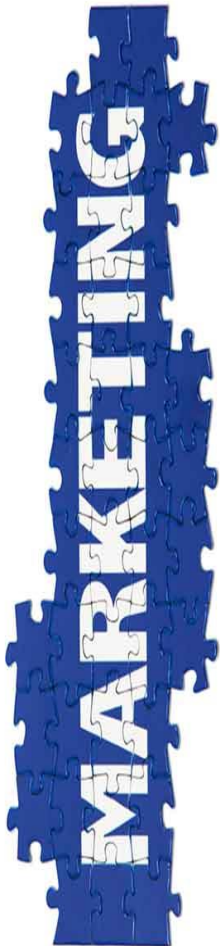
Suitability procedures shall be developed and implemented to ensure that a financing product sold suits the customer's needs.

MARKETING & DISCLOSURE

- Materials shall NOT be misleading or deceptive or fail to display prominently critical information.
- At the point of marketing, shall provide the customer the relevant material information including:
 - a) key features & characteristics of the product;
 - b) impact of an increase in financing rate of up to 200 basis points on instalment/total payment (except for fixed rate financing);
 - c) fees and charges (one-off or recurring);
 - d) the customer's responsibility and obligations;
 - e) the consequences of defaulting on any payments.



MARKETING & DISCLOSURE



BEFORE entering into contract:

- Alert the customer to understand the T&C, consider the T&C and make relevant enquiries.
- Draw the customer's attention to the total payment amount and total profit cost which will be borne by the customer.
- Not harass or inappropriately entice a consumer into signing up for a financing product through exaggerated special offers with undisclosed conditions attached.

DURING entering into contract

- Inform the customer in writing if there is any material change in the information.

AFTER entering into contract

- Provide a financing statement to the customer at least once a year, during the financing tenure.

MONITORING & RECOVERY

Contact the customers promptly upon detecting early signs of payment difficulty to discuss alternative repayment measures to address the customer's financial difficulties.

Explain and provide advice on options available to assist a customer in resolving payment difficulties.

Not to offer an alternative payment plan that unreasonably increases the payment obligation of and financial difficulty faced by the customer.

Alert the customer of possible recovery actions if the customer continues to be in default, such as legal proceedings and that the related costs will be borne by the customer.

Not to pass on charges in relation to recovery efforts to the customer with the exception of charges incurred for any legal action taken.

Customer Assistance



Develop a dedicated unit to handle **complaints** from customers and to assist customers facing payment difficulties

Provide training to employees handling customer complaints and dealing with customers experiencing difficulties in payment


Investigate all complaints and take appropriate remedial actions for any misconduct or unethical practices

All complaints must be handled fairly, efficiently and in a timely manner.

CREDIT CARD (CC)



At the end of this module, you will know:



The concept and product features of Credit Card product introduced by AEON Credit.



Bank Negara Malaysia's requirement on AEON Credit's Credit Card product.

AEON BiG VISA CREDIT CARD

AEON BiG
Gold Visa Card

AEON BiG
Classic Visa
Card

Japan Club of
Kuala Lumpur
Credit Card

Motorcycle
Association
Affinity Gold Card

NEW AEON CREDIT CARD

New AEON
Gold Visa /
MasterCard

New AEON
Classic Visa /
MasterCard

AEON CREDIT CARD

AEON Platinum
Visa /
MasterCard

AEON Gold
Visa /
MasterCard

AEON Classic
Visa /
MasterCard

Requirement	Malaysian	Foreigner
Age	21 - 65 years old	21 years old and above
	Note : ≥ 18 years old for Supplementary Card	
Nationality	Malaysian residing in Malaysia	Japanese (expatriate or under MM2H Program) only
Annual Income	<ul style="list-style-type: none"> Minimum RM24K per annum for Classic Card Minimum RM36K per annum for Gold Card Minimum RM60K per annum for Platinum Card 	<ul style="list-style-type: none"> Minimum RM48K per annum (expatriate) RM120,000 (MM2H)* <p><i>*MM2H - Malaysian My 2nd Home Program</i></p>

Fixed Income Earner

Location	Convincing	Unconvincing
Work in Malaysia	<p>NRIC</p> <p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>or</u></p> <p>Latest EPF Statement</p>	<p>NRIC</p> <p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none"> • Latest EPF Statement; <u>or</u> • Latest one (1) month Salary Crediting Bank Statement; <u>or</u> • Latest EA Form; <u>or</u> • Latest tax return with IRB receipt
Work in Singapore	<p>NRIC</p> <p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>or</u></p>	<p>NRIC</p> <p>Minimum latest one (1) month pay slip within three (3) months from date of application; <u>and</u></p>



Variable Income Earner – Non Commission Earner

Location	Convincing	Unconvincing
Work in Malaysia	<p>NRIC</p> <p>Minimum latest three (3) months pay slip; <u>or</u></p> <p>Latest EPF Statement</p>	<p>NRIC</p> <p>Minimum latest three (3) months pay slip; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none">• Latest EPF Statement; <u>or</u>• Latest three (3) months Salary Crediting Bank Statement; <u>or</u>• Latest EA Form; <u>or</u>• Latest tax return with IRB receipt
Work in Singapore	<p>NRIC</p> <p>Minimum latest three (3) months pay slip; <u>or</u></p> <p>Latest CPF Statement</p>	<p>NRIC</p> <p>Minimum latest three (3) months pay slip; <u>and</u></p> <p>Any one (1) of the following; ranked in priority:</p> <ul style="list-style-type: none">• Latest three (3) months Salary Crediting Bank Statement; <u>or</u>• Latest CPF Statement <u>or</u>• Latest Notice of Assessment (NOA)



Variable Income Earner – Commission Earner

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Self Employed : Sole Proprietor & Partner

Location		
Peninsular Malaysia	Sabah	Sarawak
<p>Latest and complete SSM and Latest Form D;</p> <p><u>And</u> <u>Any one (1)</u> of the following;</p> <ul style="list-style-type: none">• Latest six (6) months Personal Saving Account / Personal Current Account / Company Bank Statements; <u>or</u>• Income Tax Return Form (Form B) and Tax Payment Receipt.	<p>Latest Form B (Business License);</p> <p><u>And</u> <u>Any one (1)</u> of the following;</p> <ul style="list-style-type: none">• Latest six (6) months Personal Saving Account / Personal Current Account / Company Bank Statements; <u>or</u>• Income Tax Return Form (Form B) and Tax Payment Receipt.	<p>Registration Certification and Latest Business License and Details of Business Owners;</p> <p><u>And</u> <u>Any one (1)</u> of the following;</p> <ul style="list-style-type: none">• Latest six (6) months Personal Saving Account / Personal Current Account / Company Bank Statements; <u>or</u>• Income Tax Return Form (Form B) and Tax Payment Receipt.

Self Employed : Shareholder of Company

- Applicant holds shares in the Company stated in the Credit Card Application Form
- Required Income Document
 - ✓ Form 9, Form 49, Form 24; **and**
 - ✓ Any one (1) of the following:
 - Latest **six (6) months** Company Bank Statements; or
 - Latest Income Tax Return Form (Form B) **and** Tax Payment Receipt



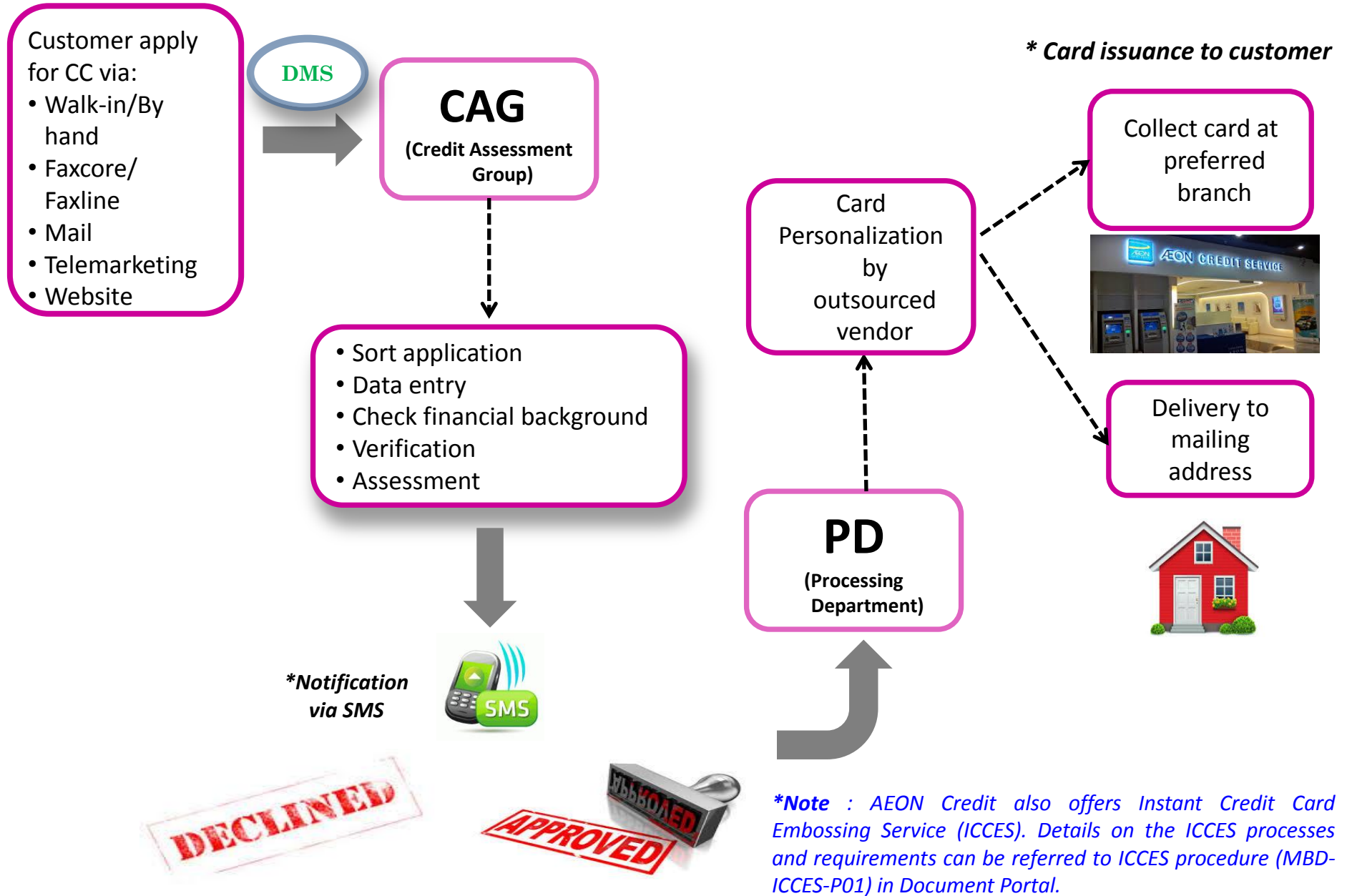
Non Malaysian

Employed
Expatriate
<ul style="list-style-type: none">Valid Passport / MyPR ; and<u>Any one (1)</u> of the following;<ul style="list-style-type: none">✓ Minimum latest 1 month payslip; <u>or</u>✓ Employment letter for income proof.
Under MM2H Program
<ul style="list-style-type: none">MM2H Social Visit Pass

Annual Fee FIRST YEAR WAIVED	CARD TYPE		PRINCIPAL	SUPPLEMENTARY
	AEON Platinum Credit Card	**Free with a minimum combined spending of RM18,000 per year	RM200**	RM100**
	AEON Gold Card		RM95	RM60
	AEON Classic Card		RM30	RM20
	AEON BiG Gold Card	**Free with a minimum of 12 transactions per year	RM95*	RM60*
	AEON BiG Classic Card		RM30*	RM20*
	New AEON Gold Card		RM95*	RM60*
	New AEON Classic Card		RM30*	RM20
	Motorcycle Association Affinity Gold Card		Waived	
	Japan Club of Kuala Lumpur Credit Card			
Joining fee	The fees are waived for all types of cards (Unless stated).			
Cash Advance fee	5% of the amount advanced or a minimum RM15, whichever is higher. This is imposed for each Cash Advance Transaction.			
Finance charge of the outstanding will be calculated on daily basis based on the Tiered Finance Rate Structure	RETAIL TRANSACTION DESCRIPTION		FINANCE RATE	
			PER MONTH	PER ANNUM
	Cardholders who promptly settle the minimum amount due over 12 Consecutive months		1.25%	15.0%
	Cardholders who promptly settle the minimum amount due for 10 months or more in a 12-month cycle		1.42%	17.0%
	Cardholders who DO NOT fall within Tier 1 & Tier 2 Category		1.50%	18.0%
Late Payment Charge	Minimum of RM10 or 1% of the total outstanding balance as at statement date whichever is higher and up to a maximum of RM100			
Overseas Transaction - Retail and Cash Advance	Card transsactions effected in currencies other than Ringgit Malaysia will be debited to the Cardholder's Account after conversion into Ringgit Malaysia, at the exchange rate as determined by VISA / MasterCard on the day of conversion including a service fee of 1%			
Card Replacement fee	AEON BiG / AEON Platinum Credit Card		1st time: RM35	Subsequent: RM50
	Other Credit Cards		1st time: RM50	Subsequent: RM50
Sales Draft Request Fee	RM15 per copy			
Card Conversion Fee	RM30			

Credit Card Monthly Statement Retrieval Copy	RM5 per copy	
Physical monthly statement fee	RM1 per month (RM12 per annum) - Applicable to new cardholders of all type of AEON Credit Cards.	
Credit Balance Refund Fee	RM2 per request. AEON BiG Card only : RM0.10 (IBG transfer) or RM0.50 (cheque issuance).	
Fees, Taxes and Other Charges	AEON Touch 'N Go Zing Card	An automatic reload amount of RM100 will be directly debited to the AEON Credit Card with auto-reload fee of RM2 (chargeable by Touch 'N Go).
	AEON BiG VISA Gold / Classic Card (VISA payWave)	Incorporate AEON BiG membership card function, currently without additional fee.
	NEW AEON Gold / Classic Card	AEON MEMBER Card membership fee of RM12 (per year) / RM24 for (3 years) (chargeable by AEON Co and payable at AEON MEMBER Customer Service Counter). Applicant must have valid AEON MEMBER Card membership.
	Taxes	A Service Tax of RM25 per card (principal and supplementary) and all applicable taxes of a similar nature herein shall be payable by the Cardholder. For further details please log on to www.aeoncredit.com.my







BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

- Guideline for main reference:-

Policy Document on Credit Card (BNM/RH/PD036-1)
Dated 02/12/2016

- Other related guidelines for references:-

- Payment Card Reform Framework
- Complaint Handling
- Management of Customer Information and Permitted Disclosure
- Fair Debt Collection Practices
- Responsible Financing
- Imposition of Fees & Charges
- Guideline on Product Transparency & Disclosure
- Anti Money Laundering & Counter Financing of Terrorism

What is the Eligibility Requirements for Credit Card Application set by BNM?



Principal Cardholder is at least 21 years old and earns at least a minimum annual income of RM24,000



Principal Cardholder who earns annual income RM36,000 or less (RM 24K-RM36K):

- Cardholders can only hold credit cards from a maximum of two (2) issuers.
- Maximum credit limit extended is up to two (2) times of the monthly income per issuer.

What is the Minimum Monthly Repayment of Credit Card?



Minimum monthly repayment of at least 5% of the balance or a minimum of RM50, whichever is higher total amount outstanding.

Payments received shall be allocated to settle the balances according to tax and their interest rates, with items attracting the highest interest rate paid first.

A grace period of at least 4 days after the payment due date shall be provided to cardholders to cater for payment due dates falling on weekends or public holidays.

BNM also provides the requirement to govern the principle on fees and charges:

1.

Issuer must comply with the **Guidelines on Imposition of Fees and Charges on Financial Products and Services**.

2.

For over-the-limit transactions, issuers shall obtain all new cardholders' expressed consent at the point of application, with clear disclosure of relevant charges. For existing cardholders, expressed consent could be obtained through appropriate channels (i.e. Telephone, email, etc)

Transactions exempted from getting the cardholders' consent:

- (a) stand-in processing transaction;
- (b) interest or fees imposed by the issuer; and
- (c) auto-debit transaction

3.

The over-the-limit fee shall not be imposed if the excess over-the-limit is due to temporary authorisation holds placed by merchants and for item (a) & (b).

Can we impose charges for Late Payment?

It shall only be applicable to retail transactions and cash advance

It shall be charged at a minimum of RM10 or 1% of the outstanding balance, whichever is higher

The maximum charge is RM100

It must not be added to the outstanding amount in arrears for computing interest due.

BNM set requirements for each stage of the Contractual Process:

1. [Pre-Contractual Stage](#)
2. [At the Point of Entering into a Contract](#)
3. [During the Term of the Contract](#)



1. Pre-Contractual Stage

Ensure the Cardholders are made aware of the following:

Basic Feature:

The key features of the credit card.

Disclosure by intermediary:

The key terms & conditions of the credit card product being offered.

Promotional Items:

The conditions tied to any promotional item & the implications of non-compliance.

Finance Charges, Fees & Other Charges:

The consequences if the outstanding amount is not fully paid by the due date.

*All applicable fees & charges should be disclosed in the Product Disclosure Sheet.

Placement of collateral:

The requirement for placement of a fixed deposit of an amount equivalent to the credit limit (for those who can meet the minimum requirements but are unable to provide documented evidence of income).

2. At the Point of Entering a Contract

Ensure the Cardholders are made aware of the following:

Terms & Conditions

Read & understand T&C before signing (shall also provide written T&C of the credit card to cardholders)

Default

Action will be taken in the event of default by cardholders, for instance, legal proceedings.

Terms of Repayment

The minimum monthly repayment requirement and highlight the consequences of partial or minimum monthly repayment.

Right to set-off

Credit balance in cardholders' deposit accounts can be set-off against any debit balance in the credit card accounts.

Late Payment Charge

The imposition of late payment charge for failure to pay at least the minimum monthly repayment by due date.

Issuer's rights to Outsource Debt Collection and sell non-performing loans (NPLs) to a third party

2. At the Point of Entering a Contract

Ensure the Cardholders are made aware of the following:

Liability of principal and supplementary cardholders

The liability of principal cardholders for the debts of all supplementary cardholders.

Cash advance

The daily withdrawal limit and the relevant amount of minimum charge for a cash advance

Usage of credit card outside Malaysia

The relevant charges for retail transactions made outside Malaysia and the currency conversion fees for cash withdrawal.

Cardholders' responsibilities

- Abide by the terms and conditions for the use of the credit card.
- Safeguard the credit card and Personal Identification Number (PIN).
- Report lost credit card/PIN as soon as reasonably practicable.
- Use the credit card responsibly, including not using the credit card for unlawful activity.

Liability for unauthorised transactions

Cardholders would not be held liable for card-present unauthorised transactions which require:

PIN verification,

signature verification or the use of contactless card

unless the issuer is able to prove that the cardholder failed to discharge cardholder's responsibilities

(Details in slide on Liability for Unauthorized Transactions)

3. During the Term of the Contract

Statement

- Provide monthly statement to cardholders.

Closure of account

- Allow closure without charges.
- Refund credit balance within 30 days from the date of closure.

Responsibility & Awareness of Fraud Prevention Measures

- Send notice to cardholder at least once in every calendar year to remind regarding cardholder's responsibilities.
- Maintain on-going effort to raise cardholder's awareness to curb unauthorised transactions and safeguarding the credit card.
- Reminders & information on fraud prevention measures need to be communicated effectively with correct mode of communication.

Change to the terms and conditions (T&C)

- Provide at least 21 calendar days' notice prior to the NEW T&C or NEW fees & charges.

Intention to set-off

- Issuer's need to give at least 7 calendar days notice to the cardholders before exercising the rights to set-off credit balance in the cardholders deposit account to pay outstanding balance.

Delinquent account

- Issuers reserve the right for termination after a number of consecutive defaults in the minimum monthly repayment.
- 7 calendar days notice if delinquent or NPL account is outsourced to 3rd party collector.

Change in credit limit

- Need to obtain acceptance from cardholders to increase credit limit.
- Need to inform cardholders of any reduction in the credit limit.

Supplementary Cardholder's Liability

The company shall not hold the supplementary cardholder jointly or severally liable for the debts of the principal cardholder or the other supplementary cardholders.



Liability for Unauthorized Transactions

Issuer shall:

- Provide dedicated contact number for easy access to report lost, fraud, unauthorized usage of CC.
- Not hold cardholders liable and responsible for fraud if no concrete evidence to justify the following:
 - a) Acted fraudulently;
 - b) Delayed in informing issuer's regarding the loss of card;
 - c) Left the card unattended; or
 - d) Voluntarily let others use the card.
- Have clear process to terminate lost or stolen card after receiving valid notification from cardholders.
- Not hold cardholders liable to penalty and charges after cardholder has informed issuer on lost, stolen or unauthorized usage of CC.
- Not hold cardholders liable to any losses incurred if the cause of the losses is due to:
 - a) Issuer's failure to:
 - i. send reminder regarding Cardholders' responsibilities and awareness of fraud prevention measures.
 - ii. provide customer hotline to report card losses.
 - iii. notify cardholders on system deficiency, errors on security features of the issuer's system.
 - b) For transactions requiring PIN verification, a transaction that occurred before the cardholder received the PIN or changed the default PIN for the first time.
 - c) Negligence or fraudulent act of the issuer's employees, merchants, or agents of the issuer.
 - d) A transaction which occurred after cardholder has notified issuer on card loss/theft.

ADVERTISEMENT

Legible font size and plain language

To highlight crucial information such as interest rates, fees & charges, eligibility, benefits for customer to make products comparison.

Don't misuse the word 'Free' or 'No Cost'

If there are conditions attached or other form of charges to be imposed to cardholders.

Advertisement shall disclose all information

Information that can affect customer's decision to apply **for** the service such as T&C, offer of gifts, promotional rate period, etc.

Marketing Practices

Ensure the Sales & Marketing Representatives:

Have adequate understanding and knowledge of the products.

Conduct due diligence to prevent uninformed information relayed to the customers.

Act professionally when engaging with customers, do not be aggressive or mislead the customers.

Notify cardholders on any fees & charges to be imposed.

Treat prospective cardholders fairly and avoid unethical sales & marketing practices just for personal gain in the reward system

To ensure no telemarketer contacts customers at unreasonable hours

Have adequate procedures for verification process of cardholders to prevent fraud and identity theft.

Not pressuring Cardholders to apply for CC, otherwise Cardholders shall be given option to revoke application F.O.C

BNM:CREDIT CARD GUIDELINE

Unsolicited Card/Credit Advance/Credit Limit Increase

Issuers must:

Conduct proper credit assessment on cardholders' financial affordability.

Not offer credit advance (e.g. issuing a cheque) unless the cardholders have requested for it.

Obtain Cardholders' written or oral acceptance for any unsolicited offer to increase the credit limits.

Not increase the credit limit if the cardholders have a history of:

- poor credit performance, or
- have difficulty meeting repayments, or
- habitually make minimum monthly repayments.

Inform cardholders on how they may reduce their credit limits.

Cardholder Information

Issuers must:

Comply with the requirements on disclosure of customer information based on Guidelines on Product Transparency & Disclosure.

Ensure customer information shall be used strictly for the purpose of performing their functions.

Remain accountable to cardholders for any complaints regarding mishandling or abuse of cardholders information by agents or Company's representative.

Ensure appropriate measures for disposal of unsuccessful application forms that contain customers information to prevent fraud or identity theft.

Credit Card Application

Name	Sex	Age	Location
Phone	Address	Date	



Complaints Management

Remain accountable to cardholders for any complaints against its employees and representatives.

Cardholder is not required to pay the disputed amount or any finance charges on such amount during the investigation period if there is dispute over any transaction amount.

Actions will be taken by BNM, if there are genuine complaints made against an issuer and such complaints are left unresolved

Cardholders shall be provided with information on how to lodge complaint, and the contact details of the issuers' complaints unit.

Shall comply with the complaints management requirements as specified in the BNM Guidelines on Complaints Handling

Usage of Credit Card for Unlawful Activities

A clause specifying that the credit cards are not to be used for any unlawful activities shall be included in the T&C.*

The credit card facility shall be immediately terminated if the cardholders are found to have used the credit card for an unlawful activity.

**Activities which are forbidden by the law such as illegal online betting.*



CHIP & PIN implementation

Effective from 1st July 2017, signature of cardholders on transaction slips has been replaced by 6-digit PIN (Personal Identification Number) for validation of retail POS transactions made in Malaysia with domestic payment cards.

Service Tax on Credit Cards

Effective from 1st Sept 2018, Service Tax of RM 25.00 will be imposed upon activation of new principal or supplementary cards, and on the anniversary (renewal) date annually for all cards, including for criteria such as card replacement, upgrade / downgrade, conversion of brands.

AEON CARDS SUBJECT TO SERVICE TAX

- All credit cards issued by AEON Credit are subject to service tax. The following Electronic Money Payment cards issued by AEON Credit are not subject to service tax :-
 - a) AEON Member Plus Card
 - b) AEON Prepaid MasterCard
 - c) AEON Touch n Go Zing Card

Thank You