

- G** 9.3.5 A FSP may consider adopting credible readability tests⁸ 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.

⁸ 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.