

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.