

**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.