

## 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.

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<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*.