

Part I. General disclosure requirements for NID and INI**4.3 Pre-contractual stage**

- S 4.3.1** A FSP shall provide financial consumers and institutional customers with a description and key terms and conditions of the NID/INI product, including-
- a. Type and features-
 - i. Tenure;
 - ii. Issue amount;
 - iii. Issuance at par, premium or discount;
 - iv. Format (e.g. scripless without NID/INI certificates);
 - v. Applicable Shariah contract (for INI); and
 - vi. Underlying asset(s) for INI based on sale contract;
 - b. Interest/profit-
 - i. Proceeds computation; and
 - ii. Frequency of payment;
 - c. Procedures for redemption of interest/profit; and
 - d. Redemption procedures upon maturity.
- S 4.3.2** A FSP shall clearly inform financial consumers and institutional customers that a NID and INI are not protected by Perbadanan Insurans Deposit Malaysia. The FSP shall disclose such information in a warning box in all advertisements and promotion materials.
- S 4.3.3** A FSP shall disclose to financial consumers and institutional customers the nature, amount and frequency of payment of all applicable fees and charges.
- S 4.3.4** A FSP shall alert financial consumers to assess the suitability of a NID/INI product by considering whether-
- a. the NID or INI matches the consumers' investment objective and risk appetite;
 - b. the consumers understand the financial risks and potential losses that may arise from investing in the product; and
 - c. tenure of NID or INI matches the consumers' investment horizon.

4.4 At the point of entering into a contract

- S 4.4.1** A FSP shall inform financial consumers and institutional customers of the tenure of the NID/INI and that the principal amount is only guaranteed if held to maturity. The FSP shall also inform financial consumers of the possibility of partial losses on the principal amount due to early withdrawal. For an INI product, the FSP shall clearly disclose that any reduction in the principal or profit payment upon early withdrawal shall be based on the Shariah contract applicable to the INI product.
- S 4.4.2** A FSP shall inform financial consumers and institutional customers of any early termination or callability feature of the NID/INI product. The FSP shall also clearly disclose the terms and conditions, including the return of principal and any accrued interest/income, and how the accrued interest/income is calculated.
- S 4.4.3** A NID/INI product that merely adopts an investment strategy aimed at returning financial consumers' and institutional customers' capital but is not guaranteed,