

## PART A OVERVIEW

### 1 Introduction

- 1.1 As financial products become more diverse and complex to address the varying needs of financial consumers, the ability of financial consumers to understand the features and characteristics to assess product suitability and risks becomes more challenging. Consequently, there is a need to enhance product specific transparency and disclosure to facilitate sufficient understanding by financial consumers so that they can make informed decisions. Given the greater use of financial products, financial consumers need to be provided with relevant, timely, reliable and comparable information that enable them to select financial products that best meet their financial circumstances and needs.
- 1.2 This Policy Document contains specifications on minimum requirements for enhanced consistency and comprehensive transparency aimed at improving information disclosure on financial products offered by financial service providers (“FSPs”).
- 1.3 This Policy Document sets out the timing and content on disclosure of information on financial products to financial consumers.
- 1.4 The objectives of this Policy Document are to-
  - a) promote financial consumers’ awareness and understanding of financial products offered by FSPs;
  - b) ensure consistency in disclosure of essential information on financial products to enable comparison by financial consumers;
  - c) minimise mis-selling of financial products and ensure that financial products sold are suitable to the needs and financial circumstances of financial consumers;
  - d) promote informed decision-making by financial consumers; and
  - e) facilitate financial consumers in safeguarding their own best interests.

### 2 Applicability

- 2.1 This Policy Document is applicable to FSPs as defined in paragraph 5.2, except for limited purpose e-money issuers (EMIs).
- 2.2 This Policy Document is applicable to financial products developed or offered by a FSP, either directly or through the FSP’s intermediaries, to individuals, micro and small enterprises (collectively referred to as ‘financial consumers’). FSPs are encouraged to adopt similar disclosure standards for other types of customers. However, the disclosure requirements for Negotiable Instruments of Deposit and Islamic Negotiable Instruments apply to both financial consumers and institutional customers.
- 2.3 Limited purpose EMIs are encouraged to adopt the disclosure requirements under Schedule III.