

- S 1.1.8** A FSP shall inform financial consumers that they are not obliged to purchase any insurance/takaful coverage from the FSP's panel of insurers/takaful operators (ITOs). The FSP shall not purchase any policy/takaful certificate on behalf of financial consumers from the FSP's panel of ITOs without the expressed written consent of the financial consumers.
- S 1.1.9** A FSP shall indicate to financial consumers of any requirement for a guarantor and inform the guarantor of his rights and obligations as a guarantor.
- S 1.1.10** A FSP's sales and marketing representatives and agents shall clearly identify the FSP they are representing when contacting financial consumers. The FSP's representatives and agents shall explain the key terms, benefits and risks of the financial product being offered to financial consumers.
- S 1.1.11** For Islamic financing products, a FSP shall inform financial consumers of the Shariah concepts applicable to the financing product. For example, a FSP shall inform financial consumers that financing facility under a *Murabahah* concept is a method of sale with a marked-up price where the consumers pay a price over an agreed period of time. For equity-based financing, the FSP shall disclose the profit and loss-sharing ratio to the consumers.

1.2 At the point of entering into a contract

- S 1.2.1** A FSP shall inform financial consumers of the loan/financing amount, the applicable terms and total repayment amount at the end of the tenure, including the total interest/profit charges. For a floating rate loan/financing, the FSP shall inform that the total repayment/instalments amount and the total interest/profit charges are accurate only if the interest/profit rate remains unchanged. The FSP shall also disclose the timing when interest/profit charges will be debited into the loan/financing account.
- S 1.2.2** For Islamic financing products, a FSP shall also disclose the financing amount that includes the selling price or total rental, whichever is applicable.
- S 1.2.3** A FSP shall provide financial consumers with a repayment/payment schedule containing the date of the first instalment, the number of instalments to be paid, the frequency of payment and the amount to be paid for each instalment. For a floating rate loan/financing, the FSP shall inform the consumers that the repayment/payment schedule is based on the interest/profit rate that was in effect at the time the loan/financing agreement is signed. The FSP must highlight that the actual payments will be higher than the amount shown in the schedule if the interest/profit rate increases during the loan/financing tenure.
- S 1.2.4** A FSP shall disclose to financial consumers when late payment/compensation charges²⁰ will be imposed on them and the rate of late payment/compensation charges to be imposed. The FSP must also disclose the manner in which the late payment/compensation charges will be computed.

²⁰ The FSP must observe any relevant requirements in the Guidelines on Ibra'(Rebate) for Sale-Based Financing and Guidelines on Late Payment Charges for Islamic Banking Institutions.