

## 9.2 Timely disclosure

- S** 9.2.1 Since financial consumers need information at an early stage to assess the suitability of financial products, a FSP shall ensure that the provision of product information to financial consumers is timely and up-to-date, where applicable, to facilitate informed decision-making by financial consumers.
- S** 9.2.2 A FSP shall inform financial consumers about a financial product at each of the three stages of the contractual process, i.e. the pre-contractual stage, at the point of entering into a contract and during the term of the contract.
- G** 9.2.3 Individual notification to financial consumers (whether by written notice or via electronic means) is likely to be more effective in achieving the objective of timely disclosure. However, where such individual notification is impractical or inappropriate on grounds of disproportionate costs, a FSP may adopt one or more of the following alternative means of notification-
- a) statements sent to financial consumers;
  - b) prominent display of notices at the FSP's business premises; or
  - c) notices prominently posted on the FSP's website.
- S** 9.2.4 When disclosing product information, particularly for information which has an impact on financial consumers' decision-making<sup>7</sup>, a FSP is required to ensure that the means of notification (whether individual notification or any other means of notification) allows the relevant information to reach the financial consumers in a timely manner.

## 9.3 Clear and simple disclosure

- S** 9.3.1 Given that provision of excessive information can be counter-productive and confusing to financial consumers, a FSP must ensure that the disclosure on financial products is made in a manner that is concise and fit-for-purpose.
- S** 9.3.2 A FSP shall present product information in a clear and understandable format by employing methods such as using short and direct sentences, active verbs, clear headings, boldface, key words, tables, diagrams and bullet lists, where appropriate, to improve the clarity of the disclosure.
- S** 9.3.3 Given that font size is a key factor in determining whether a disclosure is conspicuous, a FSP shall present key product information that is likely to affect financial consumers' decisions in an easily readable font size and shall not be in a font size smaller than the rest of the contents.
- S** 9.3.4 A FSP shall ensure contracts, agreements and disclosure documents are written in plain language. The FSP shall avoid the use of legal and technical jargons whenever possible. Where a FSP cannot avoid the use of legal and technical jargons, the FSP shall explain the meaning of these jargons in a footnote in the same page the jargons appear, to help financial consumers understand them.

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<sup>7</sup> This includes information on the consumer's rights and obligations as well as the product's benefits and coverage.