

WARNING

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/REFERENCE. THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.

Where the ILD/IILD is not protected by PIDM, the FSP to add-

“THIS INVESTMENT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA”

The FSP shall present the risk warning statement in:

- i. arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an issue or offer of the ILD/IILD; and
- ii. arial font bold capital letters, on the first and last pages of any advertising or promotional materials, in a font size no smaller than the rest of the content. The text must be capable of being read with reasonable ease.

For an ILD/IILD product other than ILD/IILD products where the market price, value, delivery or payment obligations are solely referenced to or based on foreign exchange rates, a FSP shall comply with the risk warning statement requirement imposed by the Securities Commission Malaysia.

- S 5.2.6** For an ILD/IILD product where the principal sum invested is only guaranteed if is held to maturity, a FSP shall highlight to financial consumers the consequence of terminating the investment before maturity. The FSP shall alert financial consumers of any potential loss of the principal amount for early termination. The FSP shall also clearly disclose early termination charges, if any.
- S 5.2.7** If a FSP has the right to redeem an ILD/IILD product before its maturity and with no compensation to financial consumers, the FSP shall highlight its right to the consumers. The FSP shall clearly explain the computation of the impact on returns to the financial consumers. The FSP shall also ensure that the maximum potential loss to financial consumers is limited to the amount of capital invested.
- S 5.2.8** A FSP shall ensure that an ILD/IILD product that merely adopts an investment strategy aimed at returning financial consumers' capital but is not guaranteed, is not represented as a capital protected or capital guaranteed product or by any other name that connotes a similar meaning. The FSP shall ensure that an ILD/IILD product is represented as capital guaranteed only if the guarantee is explicitly provided for by the FSP or a third party which is a FSP licensed under the laws administered by BNM and which fulfils the principles outlined in the Policy Document on *Mudarabah*. The FSP shall also disclose the following information to financial consumers-
- a. name and credit rating of the guarantor, if the guarantor is a third party;
 - b. material terms and scope of the guarantee (e.g. where capital is only guaranteed if held to maturity); and
 - c. appropriate caution about counterparty risks associated with any guarantee, particularly those associated with any third-party guarantor.