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OVERVIEW

1. Introduction

- 1.1 Consumers are constantly challenged by the increasing diversity and complexity in making informed decision on acquiring financial products and services. Consequently, there is a need to increase product specific transparency and disclosure whilst encouraging product innovation and maintaining flexibility. Given the greater use of financial products and services, a consumer is entitled to relevant, timely, reliable, and comparable information on products and services that enable the consumer to make informed choices that best meet his financial circumstances and needs.

2. Objectives

- 2.1 The Guidelines on Product Transparency and Disclosure (the Guidelines) establish a consistent and comprehensive disclosure regime aimed at improving information disclosure on products and services offered by financial service providers (FSPs).
- 2.2 The objectives of the Guidelines are to:
- Promote consumer's awareness and understanding of the financial products and services;
 - Facilitate consistency in disclosure of essential information on financial products and services to enable comparison;
 - Minimise mis-selling of financial products and services and ensure that financial products and services sold are appropriate to the needs and resources of the consumer; and
 - Promote informed decision-making by the consumer.
- 2.3 The Guidelines set out the timing and content on disclosure of information on financial products and services to the consumer.

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3. Applicability

3.1 The Guidelines are applicable to the following FSP:

- Banking institutions licensed under the Banking and Financial Institutions Act 1989 (BAFIA);
- Islamic banking institutions licensed under the Islamic Banking Act 1983 (IBA) and international Islamic banks;
- Life insurers and general insurers licensed under the Insurance Act 1996 (IA);
- Takaful operators¹ registered under the Takaful Act 1984 (TA) except international takaful operators;
- Development financial institutions prescribed under the Development Financial Institutions Act 2002 (DFIA);
- Designated payment instrument issuers and remittance service providers approved and notified respectively under the Payment Systems Act 2003 (PSA);
- Insurance brokers and financial advisers licensed under the IA; and
- Takaful brokers licensed under the TA.

4. Scope of Coverage

4.1 The Guidelines are applicable to products and services developed and offered by the FSP, either directly or through FSP's intermediaries, to individuals and small and medium-sized enterprises (SMEs) (collectively referred as retail customer). The FSP is encouraged to adopt similar disclosure standards to all other types of customers. However, the disclosure requirements for Negotiable Instruments of Deposit (NID) and Islamic Negotiable Instruments (INI) apply to both retail and institutional customer.

4.2 The FSP is required to comply with the product specific disclosure requirements. For example, if an insurance company offers loan products to customer, the insurance company is required to comply with the disclosure requirements of loan products set out in Schedule I.

¹ Including international takaful operators that market investment-linked takaful products to Malaysian residents.

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- 4.3 The Guidelines specify minimum requirements and the FSP is encouraged to adopt higher disclosure standards. Any example given in the Guidelines is meant as illustration of the requirement and not intended as the only information that needs to be disclosed to the customer.
- 4.4 The FSP offering Islamic finance products and services is required to ensure compliance with Shariah requirements at all times.
- 4.5 The disclosure requirements for insurance and takaful products stipulated in the Guidelines are applicable to the following types of plans:-
- individual plans;
 - group plans whereby the group policy / certificate owner has no insurable interest / permissible takaful interest; and
 - group plans involving credit-related products.
- For both types of group plans mentioned above, the disclosure must be made to all the individuals covered under such group plans.
- 4.6 For group plans other than those mentioned under subparagraph 4.5 the disclosure must be made to the master policy / certificate owner.
- 4.7 The Guidelines should be read in conjunction with other relevant guidelines or circulars issued by Bank Negara Malaysia from time to time.

5. Legal Provisions

- 5.1 The Guidelines are issued pursuant to:
- Section 126 of the BAFIA;
 - Section 53A of the IBA;
 - Section 201 of the IA;
 - Section 69 of the TA;
 - Section 126 of the DFIA; and
 - Section 70 of the PSA.

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5.2 With the coming into force of the Financial Services Act 2013 (FSA) and the Islamic Financial Services Act 2013 (IFSA), and by virtue of section 272(b) of the FSA and section 283(b) of the IFSA, the obligations and requirements in the Guidelines are standards which have been specified under section 123 (1) of the FSA and section 135 (1) of the IFSA and will continue to apply to the FSPs specified in the Guidelines.

6. Definitions

For purpose of the Guidelines, unless the context otherwise requires:

‘Advertisement’ refers to any communication directly or indirectly relating to a financial service or product and intending to result in an eventual sale to customer, and shall include all forms of printed and published materials or any material using the print and/or electronic medium.

‘Customer’ refers to prospective and existing customer of the FSP, including borrowers, depositors, insurance policyholders and takaful certificate holders.

‘Financial Group’ refers to entities within the group of the FSP (*within Malaysia*) which are involved in the promotion, sale, delivery and distribution of financial products and services.

‘Financial Service Provider or FSP’ refers to all the institutions listed in subparagraph 3.1. and/or the FSP’s intermediaries.

‘Intermediaries’ refers to both individuals (including the marketing staff of the FSP) and institutions involved in the marketing and selling of financial products and services.

‘Small and medium-sized enterprises (SMEs)’ is as defined in the Guidelines on Definitions for SMEs in Malaysia, which was released by the Secretariat to the

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National SME Development Council on 13 September 2005, and is available on the SME portal.

GENERAL POLICY REQUIREMENTS

7. Board and Senior Management Oversight

- 7.1 Given that executive level support and commitment is critical to the effective implementation of good disclosure practices, the Board of Directors and senior management are expected to provide leadership, direction and oversight in ensuring that good disclosure practices for financial products and services are adopted throughout the institution.
- 7.2 As part of its governance responsibility, the Board or a committee of the Board is expected to ensure that proper systems and processes are in place to implement the Guidelines.
- 7.3 Senior management should articulate clear expectations for the adoption of the transparency and disclosure requirements while ensuring that adequate resources are allocated to effectively implement the Guidelines.
- 7.4 There should be proper processes in place for the development and review of product disclosure materials to ensure compliance with the Guidelines. While the responsibility for developing the materials may reside with the product development unit, inputs from other business functions such as marketing, sales and customer service are necessary to ensure that key features and terms associated with the product are communicated in a manner that the customer is able to understand.
- 7.5 Management should ensure that staff and the FSP's intermediaries, particularly those involved in the selling and marketing of financial products and services, are adequately trained and have sufficient knowledge of the disclosure requirements, the product and its operations.

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8. Disclosure Requirements

The FSP should pay due regard to the information needs of the customer by adopting the following disclosure principles:

- a. timely;
- b. clear and concise;
- c. accurate and relevant;
- d. highlight important information; and
- e. consistent and comparable.

The principles aim to improve the quality of disclosure and facilitate comparison and informed decision-making by the customer. Product information can be disclosed to the customer in a written form, verbally, or via the FSP's website or other electronic devices.

8.1 Disclosure should be timely

8.1.1 A customer needs information at an early stage in the buying process to assess suitability of the financial products or services. As such, information provided to the customer must be timely and up-to-date, where applicable, to facilitate informed decision-making.

8.1.2 Disclosure must be adopted at each of the three stages of the contractual process: the pre-contractual stage, at the point of entering into a contract and during the term of the contract.

8.1.3 Individual notification to the customer (whether by written notice or via electronic means) is likely to be more effective in achieving the objective of timely disclosure. However, where this is not appropriate on grounds of disproportionate costs or other reasons, the FSP may adopt the most cost effective alternative or one or more of the following means of notification:

- a. press advertisement;
- b. statements sent to customer;
- c. prominent display of notices in its business premises; and
- d. notices posted on its website.

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Nevertheless, in disclosing information via the alternative modes, particularly for information which has a significant impact on the decision-making of the customer, the FSP is required to ensure that the means of notification allows the information to reach the customer in a timely manner.

8.2 Clear and concise disclosure

- 8.2.1 Given that excessive information could be counter-productive and confusing to the customer, disclosure must be concise and focused to serve its intended purpose. Nevertheless, necessary reference should be provided to allow the customer to obtain additional relevant information.
- 8.2.2 Information on products and services must be presented in a clear and reasonably understandable format. This calls for the use of short and direct sentences, boldface, key words, tables, diagrams and bullet lists, where appropriate, to improve the clarity of the material.
- 8.2.3 Given that font size is a key factor in determining whether a disclosure is conspicuous, key product information that is likely to affect the customer's decisions must be presented in an easily readable font size. Font size of less than 8-point should be avoided.
- 8.2.4 Contracts, agreements and policy documents should be presented in plain language. The plain language requirement applies to contracts, agreements and policy documents provided to the customer on the effective date of implementation and thereafter. Plain language refers to clear presentation of information in a manner that is easy for readers to understand. It is a language that avoids inflated vocabulary and convoluted sentence structure. The use of legal and technical jargon should be avoided, whenever possible. Where the use of legal and technical terminology cannot be avoided, the meaning of these terminologies should be explained or printed in a glossary for reference.

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8.2.5 For more complex financial products and services, information must be simplified and explained to the customer in a manner which promotes product understanding by using appropriate examples, if necessary.

8.3 Accurate and relevant disclosure

8.3.1 The FSP should disclose accurate and relevant information necessary to enable the customer to make informed decisions with regard to financial products and services, including but not limited to product features, benefits and risks, fees and charges, contractual rights and obligations.

8.3.2 Where precise quantitative information cannot be quoted and an estimated figure is provided at the pre-contractual stage, it should be brought to the customer's attention that these figures are only estimates and more accurate information would be provided, when available.

8.3.3 In ensuring accuracy in disclosure, the benefits of financial products and services should not be exaggerated. Disclosure of product risks should have equal prominence with information on product benefits. In particular, information on investment related products should be disclosed in an objective and unbiased manner. Prospective financial information should only be included if there are reasonable basis for its inclusion and that the information is relevant for consumer to make an informed decision of the product.

8.3.4 The FSP should avoid using hypothetical circumstances or unrealistic assumptions to project future returns which are likely to be misleading. Projected future returns should be accompanied by a prominent statement indicating that the information is predictive in nature and may be affected by the underlying assumptions. Where an opinion is expressed, there should be a reasonable basis for expressing the opinion and it should be unambiguously stated that it is a statement of opinion.

8.3.5 For investment related product that merely adopts an investment strategy aimed at returning the customer's capital shall not be represented as capital

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protected product or any other name that connotes a similar meaning. An investment related product may be represented as capital guaranteed if the guarantee is explicitly provided for by the FSP or a third party which is a FSP licensed by Bank Negara Malaysia.

- 8.3.6 For financial products where the funds are invested in Shariah-approved investment instruments, the FSP is prohibited from using any term for such products or funds that could give rise to the perception that it is an Islamic or Shariah-compliant product. This includes the use of terms such as “Islamic”, “Shariah”, “Shariah-approved” and “Shariah-compliant”, or Arabic terms or references in the descriptions or names of products or funds of financial products. This prohibition, however, is not applicable to financial products offered by Islamic banking institutions, takaful operators, as well as Shariah-compliant products issued by conventional banking institutions and development financial institutions under ‘Skim Perbankan Islam’.

8.4 Disclosure should highlight important information

The FSP is expected to:

- 8.4.1 Draw the customer’s attention to key terms and features of the financial product or service.
- 8.4.2 Give due prominence to key information through the enhancement of presentation, which may include the use of headings, key words, bullet points, tables and diagrams.
- 8.4.3 Highlight major terms and conditions applicable to a financial product or service such as penalties, restrictions, exclusions, consequences of early termination of contract and information pertaining to the customer’s rights and obligations.
- 8.4.4 Display warnings on product details such as the risks associated with a financial product, where applicable.

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8.4.5 Disclose the underlying assumptions and any specific circumstances or conditions that may affect future performance, where necessary.

8.5 Disclosure should be consistent and comparable

8.5.1 Disclosure should be made in a consistent manner to facilitate comparison between similar products and services offered by a FSP. A product disclosure sheet should be provided to the customer to facilitate comparison with similar products offered by other FSPs, i.e. product characteristics, risks and benefits, costs and returns.

9. Timing of Disclosure

Disclosure is effective when product information is given to the customer at a time that is most relevant to enable the customer to make informed decisions at each of the following three stages of the contractual process.

9.1 Pre-contractual disclosure

9.1.1 Customer needs information at an early stage in the buying process and in particular before the customer applies for a specific financial product or service. At the pre-contractual stage, i.e. information gathering stage before the point of sale, sufficient disclosure on a financial product should be made so that the consumer has a basic understanding of the product's features, benefits, risks, charges, rights and obligations before making a choice. Key features and costs applicable to the product or service must be clear and prominently displayed. The customer should not be deceived into buying a financial product or service due to omission of any important information or misled as a result of ambiguous or confusing disclosure.

9.1.2 Information that should be disclosed to customer includes but is not limited to:

- Key features of the financial product or service;
- Significant risks associated with the financial product;

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- c. Benefits to which the customer will or may become entitled, the circumstances in which and times at which those benefits will or may be provided;
- d. Fees and charges that may be imposed; and
- e. Salient terms and conditions.

9.2 Disclosure at the point of entering into a contract

9.2.1 At the point of entering into contract refers to the stage in which the customer is at the initial stage of accepting the product offer made by the FSP. The FSP should highlight to the customer the key contractual terms and conditions before concluding a financial transaction. Information that should be disclosed to the customer includes but is not limited to:

- a. Rights and obligations of the customer and the FSP;
- b. Fees and charges that will or may be payable by the customer after the acquisition, and the times at which those amounts will or may be payable;
- c. Cooling-off rights including its duration, if applicable;
- d. Liability for loss, if applicable; and
- e. Contact details of the FSP and channels for feedback / enquiry.

9.2.2 The FSP should inform the customer to read the relevant contract / policy / takaful certificate and seek clarification from the FSP should any of the terms or conditions be not fully understood.

9.3 Disclosure during the term of the contract

9.3.1 Continuous disclosure has to be adopted during the term of the contract through the following methods:

- a. Notice of changes

Any change, including but not limited to the terms and conditions, features of financial products and the customer's rights and obligations should be communicated to the customer via adequate notices before the changes

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are introduced. The mode of notification could be in writing, via electronic means or displayed at the FSP's business premises and websites.

b. Disclosure on statements

Statements, which include electronic statements, issued at regular intervals for financial products can be used as a means to communicate important information to the customer during the term of the contract. In this respect, periodic statements must be given as soon as practicable **without any charge** to the customer. However, for financial products for which periodic statements are issued only upon request, the FSP should ensure that the customer has timely access to the information through other channels without undue cost.

c. Disclosure following a specific request

The FSP should provide relevant and reasonable information as and when requested by the customer during the term of the contract. Where a fee may be levied on the customer, the FSP should inform the customer of the charges and the basis for such charges at the time the customer requests for the information.

10. Disclosure of Customer Information

10.1 The FSP is not allowed to share customer information with third parties outside the financial group, unless legally permitted or approved by Bank Negara Malaysia to facilitate the performance of functions of the FSP.

10.2 The FSP wishing to share customer information with other companies within the financial group must inform the customer to whom the information may be disclosed to and the purpose for such disclosure. However, the FSP shall not share the information of any customer who has objected to such disclosure for purposes of cross-selling. For new customers, the FSP must give the customer the opportunity to 'opt-out' for such disclosure for purpose of cross-selling. For

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existing customers, the FSP should communicate on the discretion provided to the customer to 'opt-out' and provide the means for customers to do so.

10.3 The FSP wishing to share customer information (excluding information relating to the affairs or account of customer) with third parties, such as strategic alliances for marketing and promotional purposes, must obtain the expressed consent of the customer. Towards this end, the FSP must give the customer the opportunity to "opt in" for such disclosure of the information to the parties specified by the FSP. For avoidance of doubt, in the event that a customer who has "opted in" subsequently communicates his objection to sharing his information with third parties, such communication shall supersede any earlier consent given to FSP.

10.4 The requirements in subparagraphs 10.1 and 10.3 apply to all new customers as well as existing customers when the customer applies for or renews products and services.

11. Disclosure Requirements for Advertisements

The FSP must have adequate internal procedures and systems to ensure that all advertising materials on its products and services comply with relevant laws, rules, guidelines and codes of practice in order to protect consumer from misleading advertisements and its unfair consequences. In this regard, the provisions requiring a higher standard of conduct should be applied.

11.1 Advertisement must be clear and not misleading

- The name of the FSP publishing the advertisement must be clearly shown in all advertisements. Advertisement by intermediary should contain the intermediary's registered name and the FSP that the intermediary is representing.
- An advertisement must be published in a manner that allows customer to immediately identify it as promotional material.

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- Information disclosed in any advertisement or promotional material in any media should be presented in a manner that is clear and easily understood by customer.
- An advertisement should not be misleading. An advertisement is misleading if, in any way, its presentation deceives or is likely to deceive the person to whom it reaches. Misleading advertisements include, but are not limited to, those containing a false statement of fact, those which conceal important facts or those which create a false impression.
- An advertisement shall not describe a product or facility as “free” or “no cost” if any charges or conditions may be imposed during the term of the account or contract.
- An advertisement shall also not describe a promotional gift as “free” if there are additional costs charged to the customers, or conditions attached to the promotional gifts.
- Important information should be highlighted. For print media advertisement, legible fonts should be used to bring customer’s attention to important information, such as pricing and charges.
- Where footnotes are used, the font size should be proportionate to the rest of the text to be easily readable. Font size of less than 8-point should be avoided. Any risk warning given in an advertisement must not be obscured or disguised in any way by the design or format of the advertisement.

11.2 Advertisements should disclose accurate and relevant information

- Information relevant to customer such as product’s features, risks, costs, and benefits must be accurate. Where rates are given in promotional materials, FSPs should disclose the effective lending rate or effective annual yield (for conventional loans / deposits products) or effective profit rates or historical profit rates (for Islamic financing / deposit products), where applicable, to facilitate comparison by consumers.
- An advertisement must not influence customer’s attitude to the advertised product or service by inaccuracy, ambiguity or omission.

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- Benefits of a product should not be exaggerated. Any benefit such as projected future returns should also be accompanied by unambiguous statements indicating that the information is predictive in nature and may be affected by the underlying assumptions.
- An advertisement should not focus on the benefits without providing a balanced view of the risks involved. The level of detail required in the risks description will depend on the form of the advertisement materials and the complexity of the risks. The FSP should ensure that statements on risks are clear and not disguised.
- An advertisement should not claim an intention to offer products or services at a specified price when the FSP does not intend to supply such products or services or does not have reasonable grounds for believing the products and services can be supplied at that price.
- An advertisement notifying customer of a new promotion should make known the duration of the promotional period and the terms and conditions which apply to that particular promotion.
- If an advertisement is short or general in its content, customer should be informed of the availability of explanatory material giving details of the financial product or service. All relevant information should be available on request.
- The FSP should display warnings on product details, such as the risks associated with a financial product, as a boxed warning statement, where applicable. The warning statement must be in a font size proportionate to the rest of the text and highlighted in bold print. For audio advertisements with no visual display, such warning statement should be clearly read out at the end of each broadcast.

11.3 Illustration of past and future performance

- The FSP advertising the potential returns of a financial product should state that the forecast is for illustrative purposes only and is not indicative or construed as likely returns. Any statement or forecast should not mislead at the time it is made. Any assumption used should be clearly

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stated. The FSP should not market an investment related product solely based on projected / expected return of the product.

- When presenting past performance of a product, the FSP should use the returns of the immediately preceding 5 years (or the available period, if shorter). Such information must be actual and up to date. The information should be accompanied by a prominent statement to advise customer that past performance is not indicative of future performance. The source of data and period used in the illustration should also be clearly stated.

12. Language Requirement

- 12.1 The FSP should prioritise the use of Bahasa Malaysia in disclosing information to consumers. In this regard, the FSP should ensure that all forms and pamphlets are available in Bahasa Malaysia. Such documents could also be printed in English and other languages.
- 12.2 For comprehensive documents such as contracts, agreements and insurance policy / takaful certificates, the documents may be made available in a single language (at least in either Bahasa Malaysia or English). The Bahasa Malaysia version must be made available upon the customer's request. The FSP should ensure that all documents are written in plain language.
- 12.3 It is important for the customer to understand the terms and conditions of the contract / agreement and to sign in a language that the customer can understand. If the customer requests for the Bahasa Malaysia version, the FSP must allow the customer to complete the relevant forms and sign the contract / agreement in Bahasa Malaysia. In this regard, the contract / agreement signed by the customer, be it in Bahasa Malaysia or English, will be the basis for the formation of the contract.

13. Product Specific Disclosure Requirements

- 13.1 A customer requires different information for different products. Therefore, in addition to complying with the disclosure principles contained in the general

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policy requirements section, the FSP is required to adhere to additional product specific disclosure requirements contained in the Schedules.

- 13.2 The FSP currently offering financial products with a combination of different features are expected to observe the respective product specific disclosure requirements set out in the Schedules.

14. Product Disclosure Sheet

- 14.1 The FSP is required to provide a product disclosure sheet (as per the format provided in the Schedules) containing key information for customer to make informed decisions and to facilitate comparison between products. For ease of comparison, the FSP should provide at least the information as per the items specified in the disclosure sheet. The FSP should also ensure that the product disclosure sheet is made available in Bahasa Malaysia upon request.
- 14.2 The product disclosure sheet should be provided before the customer purchases a product or service, and at the point of entering into a contract, if there is a material change in the information. At the product renewal stage, the customer should also be given a copy of the product disclosure sheet, if there is a material change in the information. Information contained in the disclosure sheet should be customised to the customer's needs. A computer generated disclosure sheet could also be used.
- 14.3 In the event that it is not practical to provide the product disclosure sheet at the pre-contractual stage, particularly for direct marketing and telemarketing, a copy of the product disclosure sheet should be sent to the customer together with the policy document / agreement.
- 14.4 For financial products and services not set out in the Schedules, the FSP is also required to provide a product disclosure sheet using a similar format.

14.5 Islamic FSP is required to explain clearly the contracts applicable, including the key terms and conditions if the contract in use differs from that illustrated in the standard format provided in the Guidelines.

14.6 Bank Negara Malaysia reserves the right to require the FSP to make appropriate amendments if information contained in the disclosure document is found to be inaccurate or misleading.

15. Consumer Awareness

15.1 The FSP plays an important role in raising the awareness and financial literacy of consumers. In this context, the FSP should refer customer to the relevant consumer education booklet issued under the Consumer Education Programme or published in the *bankinginfo* and *insuranceinfo* websites. In addition, the FSP should inform the customer of:

- a. Hotlines and/or contact details as channels for feedback, enquiry or complaint; and
- b. The contact details of Bank Negara Malaysia LINK and BNMTELELINK for enquiry or complaint if the complaint is not resolved by the FSP.

16. Compliance

16.1 The effective dates for the requirements in the Guidelines are as follows:

Requirements	Effective date
The Guidelines	1 January 2010
Disclosure requirements on Negotiable Instruments of Deposit and Islamic Negotiable Instruments	18 May 2009
Commission disclosure for investment-linked insurance products and investment-linked takaful products including any riders attached to the policies / certificates	15 April 2010
Commission disclosure for general insurance / takaful, standalone medical and health insurance / takaful and group medical and health insurance / takaful	15 April 2010

Legal documents to be made available in Bahasa Malaysia	1 January 2011
Contracts, agreements and policy documents to be presented in plain language.	1 January 2011
Commission disclosure ² for ordinary life insurance products and ordinary family takaful products including any riders attached to the policies / certificates	To be advised later
Product Highlights Sheet for:- <ul style="list-style-type: none"> • negotiable instruments of deposit and Islamic negotiable instruments (with investment tenure exceeding 5 years); and • investments linked to derivatives and investments linked to derivatives-i (other than over-the-counter investments linked to derivatives whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates) 	1 April 2013

16.2 The FSP is accountable to ensure that the FSP's intermediaries comply with the Guidelines and take appropriate action against any intermediary who has failed to make appropriate disclosures to the customer.

16.3 Annually, an independent party such as the internal audit or compliance unit of the FSP should assess compliance with the Guidelines. Non-compliance with the requirements in the Guidelines should be documented in a report together with action plans to rectify the non-compliance. The report should be submitted to a Committee of the Board for review.

² This requirement applies to life insurance products and family takaful products sold through all channels of distribution other than savings products sold via bancassurance / bancatakaful. For savings products sold via bancassurance / bancatakaful, the commission and charges disclosure requirements are stated in the Guidelines on Bancassurance / Bancatakaful.

WITHDRAWAL OF GUIDELINES AND CIRCULARS

Upon the effective implementation date of the Guidelines, the previous guidelines / circulars relating to product disclosure and transparency and language requirements as stated below are deemed withdrawn:

No.	Ref.	Guidelines and Circulars	Issuance date
1.	-	Penggunaan Bahasa Melayu Di Dalam Sektor Perbankan	27 July 2000
2.	-	Penggunaan Bahasa Melayu Untuk Papan Tanda	29 August 2000
3.	-	Penggunaan Bahasa Melayu Di Dalam Sektor Perbankan	7 February 2001
4.	-	Guidelines on Negotiable Instruments of Deposit	15 June 2006
5.	-	Guidelines on Islamic Negotiable Instruments	August 2000
6.	JPI 37/1997	Penggunaan Bahasa Malaysia	9 July 1997
7.	JPI 14/2000	Penggunaan Bahasa Kebangsaan/Melayu di dalam sektor insurans	22 August 2000
8.	JPI 2/2001	Penggunaan Bahasa Kebangsaan/Melayu di dalam sektor insurans	23 February 2001
9.	JPI 13/2002	Penggunaan Bahasa Kebangsaan/Melayu di dalam sektor insurans	9 April 2002
10.	JPI 5/2003	Penggunaan Bahasa Kebangsaan/Melayu di dalam sektor insurans	10 February 2003
11.	BNM/RH/CIR 003-10	Penggunaan Bahasa Malaysia/ Kebangsaan Dalam Sektor Insurans	September 2007
12.	JPI 12/2003	Minimum Standard on Product Disclosure and Transparency in the Sale of Medical and Health Insurance Policies	5 May 2003
13.	BNM/RH/CIR 004-33	Minimum Standard on Product Disclosure and Transparency in Marketing Medical and Health Takaful Plans	31 January 2004
14.	JPI/GPI 32	Guidelines on Minimum Disclosure Requirements in the Sale of General Insurance Products	15 August 2005
15.	JPIT/17/2003/TO	Conventional Insurance Products	10 December 2003

SCHEDULE I

CONVENTIONAL BANKING PRODUCTS

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SCHEDULE I : CONVENTIONAL BANKING PRODUCTS¹

1. Loan Products

1.1 Pre-contractual stage

- a. Interest rate
 - The FSP should inform the customer of the expected interest rate that will be charged on the loan facility and whether it is on a fixed rate, variable rate or a combination of fixed and variable rate basis. In addition, the FSP should disclose the **effective lending rate** and **total repayment amount**, to facilitate comparison by the customer.
 - The FSP should also disclose how interest on the loan facility will be calculated, for example, on a daily or monthly rest basis.
 - For variable rate loans, the customer should be informed of the circumstances under which the interest rate may increase and the effect of a rate increase (for example, whether it would result in an increase in the number or amount of instalment payments).
 - Information on Base Lending Rate (BLR) or other reference rates including the effective dates of these rates should be prominently displayed at the business premises and websites.
- b. Margin of financing
 - Information on the amount of loan the FSP is able to offer (where applicable, expressed as a percentage of the value of asset) should also be disclosed to the customer.
- c. Tenure
 - The customer should be informed of the duration of the loan facility.
- d. Collateral
 - If collateral is required for a loan facility, this requirement should be highlighted to the customer.

¹ As per subparagraph 4.2 in the Overview section, insurers and takaful operators offering loan products to the customer must also comply with these product specific disclosure requirements.

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e. Fees and charges

- The customer should be informed of all fees and charges that are applicable to the loan facility, including implied charges.
- Disclosure of fees and charges should clearly show the fee for each item, the basis for such fee, when the fee is payable and factors that affect the level of imposition, if any.

f. Panel lawyer

- The FSP may choose to provide the customer with a list of panel lawyers but must make clear to the customer that the customer is not obliged to utilise the FSP's panel of lawyers.

g. Insurance / takaful

- The FSP should indicate any insurance / takaful requirement and the coverage required as a condition of the loan facility, for example, mortgage reducing term assurance (MRTA) or mortgage reducing term takaful (MRTT).
- The FSP may provide quotations for any compulsory insurance / takaful offered by the FSP's panel of insurers / takaful operators but the customer is free to use the service of non-panel insurers / takaful operators. This option must be made apparent to the customer.
- The FSP must not purchase any insurance / takaful on behalf of the customer from the FSP's panel of insurers / takaful operators without the consent of the customer.

h. Guarantor

- The FSP should indicate any requirement for a guarantor and inform the guarantor of his rights and obligations as a guarantor.

i. Disclosure by intermediary

- The FSP's sales and marketing representatives when contacting a customer must clearly identify the FSP being represented.
- The sales and marketing representatives must describe to the customer the key terms, benefits and risks of the financial product being offered.

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1.2 At the point of entering into a contract

a. Amount and terms of loan

- The customer must be informed of the loan amount, the terms and total repayment amount at the end of the tenure, including the total amount of interest charges on the approved loan facility.
- In disclosing the total repayment amount and total amount of interest charges applicable to the loan facility, the FSP must make known to the customer that this information is accurate only if interest rate remains unchanged.
- The customer should also be informed of the timing when interest will be debited into the loan account - either on a monthly basis or at agreed intervals.

b. Repayment schedule

- The FSP should provide the customer with a repayment schedule containing the date of the first instalment, the number of instalments to be paid, the frequency of repayment and the amount to be paid for each instalment.
- The customer should be made aware that the repayment schedule is based on the interest rate that was in effect at the time the loan agreement is signed. The FSP should highlight to the customer that actual payments may be higher than the amount shown in the schedule if interest rate increases during the tenure of the loan.

c. Late payment charges

- The FSP should inform the customer of penalty or default charges for late payment of instalments.
- The FSP should state when late payment charges will be imposed and the rate of late payment charges to be imposed.
- The FSP should also disclose to the customer the manner in which the late payment charges will be computed.

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d. Lock-in period and early settlement

- The FSP should make known to the customer any applicable lock-in period.
- The FSP should indicate whether early settlement charges are payable if the loan facility is terminated before the end of the lock-in period, how the charges will be calculated and when they are payable.
- If a rebate on interest for early settlement is applicable, the FSP should inform the customer of rebate entitlement and method of calculation used. Similarly, if rebate is due to the customer in respect of the associated MRTA/MRTT.

e. Pre-payment / Overpayment

- The FSP should inform the customer whether pre-payment or overpayment of the monthly instalment is allowed and the impact on the calculation of interest charges.
- The FSP should alert the customer of the amount of any pre-payment penalty that may be imposed.

f. Right to set-off

- It should be made transparent to the customer if the FSP has the right to set-off any credit balance in the customer's accounts against any debit balance in other accounts maintained with the FSP.

g. Right to outsource debt collection and sell non-performing loan (NPL)

- The FSP must inform the customer of the FSP's right to outsource debt collection to an external agency and the right to sell NPL to a third party.

h. Death of a borrower / joint borrower

- The FSP should highlight to the customer the implications on the loan facility in the event of death of the borrower or joint borrower during the tenure of the loan.

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i. Default

- The customer should be informed of the possible actions that may be taken by the FSP in the event of default by the customer, for instance, foreclosure of the customer's properties.

j. Change of contact details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.

1.3 During the term of the contract

a. Loan statement

- The FSP should provide a loan statement to the customer at least once a year. The statement should indicate the outstanding balance at the beginning and end of the period covered by the statement, the amount credited and charged, including interest and other non-interest charges, and the dates when those amounts were posted to the account.
- Loan statements should be mailed to the customer. However, the customer should be informed if there is an alternative to obtain the statement electronically.

b. Change in interest rate

- The customer should be informed of any change in the lending rates. The FSP must publish changes to the FSP's reference rates, including those made in response to a change in Bank Negara Malaysia Overnight Policy Rate (OPR), in major newspaper no later than the effective date of the revision.
- Any revision to interest rates to reflect changes in risk profile of the customer should be communicated to the customer at least 21 calendar days prior to the effective date of the revision.
- The FSP should also provide the customer with revised particulars of the instalment amount or loan tenure after each interest rate adjustment.

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c. Change to the terms and conditions

- Should there be any change in the terms and conditions, the FSP should provide at least 21 calendar days notice to the customer before the new terms and conditions take effect.
- Any change in fees and charges applicable to the loan facility should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
- Communication should be done in writing or electronically to the customer.

d. Intention to set-off

- If the FSP has the right to set-off any credit balance in the customer's accounts against any outstanding balance in the loan accounts, the customer should be informed at least 7 calendar days in advance on the FSP's intention to set-off a credit balance in the customer's accounts against a debit balance in the loan accounts.
- The FSP may concurrently earmark the available funds in the customer's accounts against the outstanding balance in the loan accounts upon the issuance of the notice to the customer.

e. Delinquent accounts

- The FSP should ensure that a delinquent customer is given sufficient reminders on the amount outstanding and interest incurred on the delinquent account. The customer should also be warned of possible actions the FSP may take if reminders to update the delinquent account are ignored.
- The customer should be informed at least 7 calendar days in advance if the collection of debt for a delinquent account is to be outsourced to a third party debt collection agency. This notification time frame also applies to a customer whose delinquent account has been classified as NPL and sold to a third party. In this regard, the FSP should notify the affected customer within 7 calendar days of obtaining a vesting order from the Court.

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- In the notice, the FSP should inform the customer the impact on the customer's rights and obligations after the account has been transferred to a debt collection agency or sold to a third party. A copy of the notice should also be sent to the guarantors.
- Under specific circumstances where the customer is not contactable, the FSP is considered to have fulfilled its obligation if such notice has been sent to the last known address of the customer at least 7 calendar days in advance.
- The FSP should provide the customer with the name and contact details of the appointed third party debt collection agency or the third party to whom the NPL has been sold.
- The FSP is required to inform the customer of the services of Agensi Kaunseling Dan Pengurusan Kredit by inserting the note below in all reminders sent to customer (disclosure in less than 8-point font is not allowed):

English version

“Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. For enquiry, please call 1-800-88-2575”.

Bahasa Malaysia version

“Agensi Kaunseling Dan Pengurusan Kredit telah ditubuhkan oleh Bank Negara Malaysia untuk menyediakan perkhidmatan pengurusan kewangan, kaunseling kredit, pendidikan kewangan dan penstrukturan semula pinjaman secara percuma kepada individu. Untuk membuat pertanyaan, sila hubungi talian 1-800-88-2575”.

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2. Deposit Products

2.1 Pre-contractual stage

a. Basic Banking Services

- The FSP is required to inform the customer of the availability of the basic savings account and basic current account and the key features of such accounts.

b. Deposit amount

- The FSP must disclose the initial deposit required to open an account and the minimum deposit to be maintained in the account.
- The customer should also be informed of the consequence of not maintaining a minimum deposit in the account, for instance, the imposition of a monthly service fee.

c. Interest rate

- The FSP should disclose the interest rate that will be paid on the deposit, the frequency of interest payments and any circumstances that might affect the interest payments. For deposit products with fixed tenure, the FSP should disclose the effective annual yield to facilitate comparison by the customer.
- The FSP should also inform the customer if a minimum deposit amount is required for the account to earn an interest.
- Information on deposit rates including the effective dates of these rates should be prominently displayed at all business premises and websites.

d. Deposit insurance

- The FSP should inform the customer whether a deposit account is insured by Perbadanan Insurans Deposit Malaysia and other related information, including the limit of coverage for the account.

e. Fees and charges

- The customer should be informed about all fees and charges on both standard and additional services applicable to the deposit account.

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- If the FSP's ATM card allows withdrawals from ATMs abroad, the relevant transaction fees and charges and the basis used in determining the conversion rate should be made transparent to the customer.

2.2 At the point of entering into a contract:

- a. Overdrawn account
 - The customer should be informed of the penalty that will be imposed if the current account is overdrawn without a prior overdraft arrangement or beyond the overdraft limit when overdraft arrangement exists.
 - If the FSP reserves the right to set-off the shortfall from another deposit account of the customer, this must be made transparent to the customer.
- b. Right to set-off
 - The FSP must inform the customer if the FSP has the right to set-off any credit balance in the customer's deposit accounts against any debit balance in other accounts maintained with the FSP.
- c. Stop payment
 - The customer should be informed of any charge on any "stop payment" instruction received from the customer.
- d. Early closure of account / Early withdrawal of fixed deposit
 - The FSP should disclose any penalty charge applicable to early closure of account within a specified time frame.
 - The customer should also be informed of the implication of uplifting a fixed deposit before maturity.
- e. Operation of a joint account
 - Should the customer choose to open a joint account, the FSP should disclose the following information:
 - The rights and responsibilities of each holder of the joint account
 - Implications of the signing arrangements to be specified in the account mandate

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- The manner in which such designated signatories or signing arrangements can be varied by one or more of the joint accountholders.
 - It should also be made clear to the joint accountholders whether the FSP claim the right to set-off the credit balance in one account against the debit balance in another account which may be held by one or more of the holders of the joint account.
 - The FSP should highlight to the joint accountholders the implications to the deposit account in the event of the death of a joint accountholder.
- f. Loss of savings passbook / certificate of deposit
- The FSP must inform the customer the importance of proper safekeeping of savings passbook and certificate of deposit and the actions that should be taken if the savings passbook / certificate of deposit is lost and the accompanying charges (if any) in obtaining a new savings passbook / certificate of deposit.
- g. Inactive account
- The FSP should highlight to the customer the circumstances under which an account is designated as inactive.
- h. Change of contact details
- The customer should be informed of the importance of notifying the FSP of any change in contact details.

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2.3 Disclosure during the term of the contract

a. Account statement

- For accounts without a passbook, the FSP should provide an account statement to the customer at least once a quarter. The frequency of the account statement to be mailed should be made known to the customer.
- If the customer requests for additional statements, the FSP must inform the customer of the charges, if any, upon the request of such statements.
- For accounts for which statements are made available on-line, for example internet banking, the FSP must ensure that the customer can still have access to hardcopy statements, if requested.

b. Change in interest rates

- The FSP should notify customers of any revision to deposit rates.
- The change notice must be prominently displayed at the FSP's business premises and website.

c. Change to the terms and conditions

- Should there be any change in the terms and conditions, the FSP should provide at least 21 calendar days notice to the customer before the new terms and conditions take effect.
- Any change in fees and charges applicable to the deposit account should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
- Communication should be done in writing or electronically to the customer.

d. Dormant / inactive account

- If an account has been dormant, free reminders should be sent to the customer informing about the impending dormancy and ultimate transfer of funds from the account to the Registrar of Unclaimed Moneys (RUM). This reminder should be given within a reasonable time.
- The customer should also be informed about the option to reactivate or close the account before funds in the account are transferred to the RUM.

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- Before funds from a dormant account are transferred to the RUM, the FSP should notify the customer at least 21 calendar days in advance informing them when the transfer will take place.
- The FSP should provide for free to the customer the procedures involved in claiming the moneys from the RUM, upon request.

3. Investment Products

As per subparagraph 4.1 in the Overview section, the disclosure requirements for Negotiable Instruments of Deposit (NID) and Floating Rate NID apply to both retail and institutional customer. The FSP may refer to the "Explanatory Notes on NID and INI", for additional guidance.²

Where the FSP develops and distributes unlisted capital market products, the FSP must also comply with the requirements under the Guidelines on Sales Practices of Unlisted Capital Market Products issued by the Securities Commission.

In circumstances where the investment product falls under the scope of the Guidelines as well as the Guidelines on Sales Practices of Unlisted Capital Market Products, the FSP should:

- Prepare a product highlights sheet in place of the product disclosure sheet. However, in preparing the product highlights sheet, the FSP must ensure that it fully complies with the disclosure requirements set out in subparagraphs 3.1.1 to 3.1.4 and 3.2.1 to 3.2.2 below. A sample base template following that developed by SC is included in Appendix II (E) and (F) of this Schedule and serves as a guide. FSPs are expected to expand the templates as necessary to cater for the peculiarities of the products offered and ensure compliance with the Guidelines and the Guidelines on Sales Practices of Unlisted Capital Market Products.
- Be guided by the language requirements as provided under subparagraphs 12.1 to 12.3 in the general policy requirements section of the Guidelines.

² The "Explanatory Notes on NID and INI" can be obtained from the FAST website at <https://fast.bnm.gov.my/fastweb>.

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3.1 Negotiable Instruments of Deposit (NID) and Floating Rate NID

Part I. General disclosure requirements for NID

3.1.1 Pre-contractual stage

a. Description and terms and conditions

The FSP should provide the customer with a description and key terms of the product, including but not limited to the following:

- Type and specification:
 - Tenure
 - Issue amount
 - Issuance at par, premium or discount
 - Format (e.g. scripless without NID certificates).
- Interest:
 - Proceeds computation
 - Frequency of interest payment.
- Procedures for redemption of interest proceeds.
- Redemption procedures upon maturity.

b. Deposit insurance

- The customer must be clearly informed that a NID is not insured by Perbadanan Insurans Deposit Malaysia. The disclosure must be prominently presented in all advertisements in at least Arial 12-point font.

c. Fees and charges

The FSP should disclose and explain the nature, amount and frequency of payment of all applicable fees and charges.

d. Suitability (only applicable to retail customer)

The FSP should inform the customer the situations in which the product will be suitable for them. The customer should be asked to at least consider whether:

- the NID matches the customer's investment objective and risk appetite

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- the customer understands the financial risks and potential losses that may arise from investing in the product
- the tenure of NID matches the customer's investment horizon.

3.1.2 At the point of entering into a contract

a. Early withdrawal by the customer

- The FSP should ensure that the customer is fully aware of the tenure of the NID and that the principal amount is only guaranteed if held to maturity. The customer should be clearly informed of the possibility of partial losses on the principal amount due to early withdrawal by the customer.
- A NID that merely adopts an investment strategy aimed at returning the customer's capital shall not be represented as a capital protected product or any other name that connotes a similar meaning.

b. Early termination by issuer and callability feature

The FSP should ensure that the customer is informed of any early termination or callability feature of the NID. The FSP must clearly disclose the terms and conditions, including the return of principal and any accrued interest, and how the accrued interest is calculated.

c. Availability of information

The FSP should inform the customer of the availability of the following information should the need arise and/or upon request by the customer:

- buy-back price of the NID
- performance of the underlying assets used in the pricing of NID (only applicable to floating rate NID)
- any other prevailing general and operational information on the NID.

d. Risks

The customer should be clearly and fully apprised of any significant risk (e.g. credit risk and market risk) associated with the NID.

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e. Risk warning statement

The FSP must provide the following risk warning statement in the documents and according to the format below:

WARNING

THIS PRODUCT IS PRINCIPAL GUARANTEED BY THE ISSUING BANK UPON MATURITY ONLY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, THE CUSTOMER MAY LOSE PART OF THE INITIAL DEPOSIT. THE CUSTOMER IS REMINDED THAT THIS PRODUCT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

- in Arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an issue, offer, invitation or availability of the NID.
- in Arial 24-point font in bold capital letters, as the first slide in any promotional soft copy slide presentation and/or hardcopy print out.
- in Arial font bold capital letters, on the first and last pages of any advertising or promotional material, in a font size no smaller than the font size of the content.

f. Change of contact details

The customer should be informed of the importance of notifying the FSP of any change in contact details.

Part II. Additional disclosure requirements for Floating Rate NID (FRNID)

For FRNID, the FSP must market and term the product in all advertising materials and contract agreements as “Floating Rate Negotiable Instruments of Deposit” and refrain from using terms such as “structured deposits”, “structured investment” or any other terms that may be construed as a product other than FRNID.

3.1.3 Pre-contractual stage

The following information shall also be made available to the customer in relation to any issue, offer or invitation of FRNID:

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- a. Type and specification (in addition to the items in 3.1.1(a) above)
 - Index or underlying assets used
 - Potential interest rate and/or proceeds.

3.1.4 At the point of entering into a contract

- a. Illustration of past and/or future performance
 - Any illustration of past and/or future performance should highlight that past performance is not indicative of future performance.
 - The FSP should include scenario analysis of forward looking - bull (best case where feasible), flat (moderate case) and bear (worst case) scenarios on risk factors sensitivity. The purpose is to enhance the customer's understanding of the impact of different scenarios. The assumptions used must be reasonable and should be clearly stated.
 - When using past performance of the underlying instruments to project future performance, the FSP should use actual returns of the immediately preceding 5 years (or the available period, if shorter).
- b. Transferability
 - Retail customer should clearly understand that in the event the customer sells FRNID to another retail customer, the FSP that had issued the FRNID will be required to conduct an assessment on the buyer's suitability prior to transferring the FRNID to the new buyer. The FSP has the right to refuse transfer if the assessment indicates a lack of customer suitability.
- c. Risk warning statement

The FSP must substitute the risk warning statement in subparagraph 3.1.2(f) in Part I (but retaining the font size requirements) with the format below:

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WARNING

THIS PRODUCT IS PRINCIPAL GUARANTEED BY THE ISSUING BANK UPON MATURITY ONLY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, THE CUSTOMER MAY LOSE PART OF THE INITIAL DEPOSIT AMOUNT. THE RETURNS ON THIS PRODUCT ARE UNCERTAIN AND THE CUSTOMER RISKS EARNING NO RETURNS AT ALL. THE CUSTOMER IS REMINDED THAT THIS PRODUCT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

3.1.5 Disclosure during the term of the contract

a. Statement

The FSP should provide a statement detailing the performance of the FRNID product to the customer at least once a year.

3.2 Investments Linked to Derivatives³ (ILD)

3.2.1 Pre-contractual stage

a. Product description

- The FSP should provide the customer with a description of the product, including but not limited to the following:
 - Capital guaranteed or non-capital guaranteed
 - Investment tenure
 - Yield computation and frequency of yield payment
 - Index or underlying instrument(s)
 - Key terms and conditions.

b. Deposit insurance

- The customer must be clearly informed whether an ILD is insured by Perbadanan Insurans Deposit Malaysia. The disclosure must also be prominently presented in all advertisements in at least Arial 12-point font.

³ The FSP issuing ILD should observe the Securities Commission's disclosure requirements that are relevant to ILD, in particular, the sections on Disclosure Requirement, and Suitability and Fair Dealing Requirements under the "Guidelines on the Offering of Structured Products".

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- The FSP should not label ILD as “structured deposit” to avoid giving consumers the impression that the product is deemed a deposit.
- c. Suitability
- The FSP should inform the customer on ILD’s suitability as an investment instrument. The following minimum enquiries should be considered:
 - whether ILD matches the customer’s investment objectives and risk appetite
 - The customer understands the financial risks and potential losses that may arise from investing in the ILD product
 - the tenure of the ILD matches the customer’s investment horizon.
- d. Fees and charges
- The FSP shall disclose and explain the nature, amount and frequency of payment of all applicable fees and charges.
- e. Disclosure by intermediary
- The FSP’s sales and marketing representatives when contacting customer must clearly identify the FSP being represented.
 - The sales and marketing representatives must also describe to the customer the key terms, benefits and risks of the investment product being offered.

3.2.2 At the point of entering into a contract

- a. Risks and returns
- The FSP must provide clear and adequate explanation of all material risks of investing in the ILD product, including potential loss of the principal sum invested if the product is not held to maturity, so that the customer could make an informed investment decision. The level of detail required will depend on the complexity and nature of the risks involved.
 - In disclosing the benefits, the FSP should provide a balanced view by highlighting the ILD’s potential upside and downside. Key assumptions made should be clearly stated.

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b. Illustration of past and future performance

- When using past performance of the underlying instruments to project future returns of the ILD, the FSP should use actual returns of the immediately preceding 5 years (or the available period, if shorter). The FSP must clearly state that past performance is not indicative of future performance. Likewise, when using any forecast of the economic trends of the markets, the FSP should include a prominent warning that such forecast is not necessarily indicative of the ILD's future returns.
- The FSP is not allowed to market an ILD based on projected / expected returns. Illustrations of potential gains and losses through numerical examples based on bull, flat and bear scenarios are allowed to enhance the customer's understanding of the impact of different scenarios in relation to the product. If numerical examples are illustrated, all three scenarios must be given and should illustrate losses under the bear scenario, where possible. The assumptions used must be reasonable and should be clearly stated.
- Any comparison of performance figures must be relevant and accurate, comparing "like for like" to ensure such presentation is not misleading.
- Where an opinion is expressed, there should be a reasonable basis for including the opinion and it should be clearly stated that it is a statement of opinion.

c. Risk warning statement

- The FSP must highlight the following risk warning statement at the bottom of every page of any document released and/or any advertising medium used pertaining to an issue, offer or invitation of ILD.

WARNING

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS STRUCTURED INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

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- in Arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an issue, offer, invitation or availability of the ILD product.
 - in Arial 24-point font in bold capital letters, as the first slide in any promotional soft copy slide presentation and/or hard copy print out.
 - in Arial font bold capital letters, on the first and last pages of any advertising material, in a font size no smaller than the font size of the content. The text must be capable of being read with reasonable ease.
- d. Early termination
- For ILD product where the principal sum invested is only guaranteed if held to maturity, the FSP must draw this to the attention of the customer. The customer must be informed of the consequence, restrictions and procedures of terminating the investment before maturity. The FSP should be transparent in cases where the customer suffers partial loss of the principal amount for early termination. The FSP must also disclose early termination charges, if any.
 - **If the issuing FSP has the right to redeem the ILD before its maturity and with no additional compensation to the customer, clear explanation of such right and the computation of the impact on returns must be presented in writing and intimated to the customer.**
 - The FSP must ensure that the maximum potential loss to the customer is limited to the amount of capital invested.
- e. Use of the term “Capital guarantee”
- An ILD that merely adopts an investment strategy aimed at returning the customer’s capital shall not be represented as a capital protected or capital guaranteed product or any other name that connotes a similar meaning.
 - An ILD may be represented as capital guaranteed only if the guarantee is explicitly provided for by the FSP or a third party which is a FSP licensed by the Bank. The FSP shall disclose the following:
 - The name and credit rating of the guarantor, if the guarantor is a third party;

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- The material terms and scope of the guarantee (for example, where capital is only guaranteed if held to maturity); and
 - Appropriate cautions with regard to counterparty risks associated with any guarantee, in particular those associated with any third party guarantor.
- f. Cooling-off period
- The FSP should inform the customer if a cooling-off period is applicable to the ILD and the relevant conditions under which a cooling-off period is applicable. A cooling-off period allows the customer to terminate the contract within a specified period and obtain a full refund of money paid.
- g. Availability of information
- The FSP should inform the customer of the availability of material information on the customer's investment, for example, recent performance of the index or relevant information on the underlying assets.
- h. Change of contact details
- The customer should be informed of the importance of notifying the FSP of any change in contact details.

3.2.3 Disclosure during the term of the contract

- a. Statement
- The FSP should provide a statement on the performance of the ILD to the customer at least once a year.

4. Safe Deposit Box

- a. Annual rental and other charges
- Information on annual rental and other charges applicable to safe deposit boxes should be made transparent to the customer.
- b. Insurance / takaful coverage

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- The customer should be informed of the maximum insurance / takaful coverage provided by the FSP and the circumstances under which the coverage applies to the contents of the box. The FSP should highlight to the customer the need to obtain additional insurance / takaful coverage if the maximum coverage provided is insufficient to protect the interest of the customer.
- c. FSP's liability
- If the FSP's terms and conditions limit its liability, such limitation should be highlighted to the customer.
- d. Permissible items
- The FSP should make clear to the customer the types of items that can be stored in a safe deposit box and those which are prohibited.
- e. Change in rental rates and other charges
- Any change in rental rates and other charges should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
- f. Branch relocation or termination of safe deposit box service
- The FSP should notify the customer at least 30 calendar days prior to the effective date of relocating the safe deposit boxes. This notification period also applies if the FSP intends to terminate the safe deposit box service.
- g. Change of contact details
- The customer should be informed of the importance of notifying the FSP of any change in contact details.

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Appendix I Requirement for Product Disclosure Sheet

Type of Product	Requirement for Product Disclosure Sheet	
	Yes	No
Loan Products		
Housing Loan	✓	
Personal Loan	✓	
Other Loan Products	✓	
Deposit Products		
Savings Account		✓
Current Account		✓
Fixed Deposit Account		✓
Investment Products		
Negotiable Instruments of Deposit (NID)	<p>NID products with investment tenure of 5 years or less:</p> <p>✓</p>	<p>NID products with investment tenure exceeding 5 years: To comply with the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products on Product Highlights Sheet, and to incorporate information required under subparagraphs 3.1.1 to 3.1.4 of this Schedule</p>

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Investments Linked to Derivatives (ILD)	For over-the-counter ILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates ✓	For ILD products other than over-the-counter ILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates: To comply with the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products on Product Highlights Sheet, and to incorporate information required under subparagraphs 3.2.1 to 3.2.2 of this Schedule	
Safe Deposit Box		✓	
Other Products	✓		

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Appendix II Product Disclosure Sheet Samples

A. Housing Loan (*Please note that this PDS has been replaced*)

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the terms in the letter of offer. Seek clarification from your institution if you do not understand any part of this document or the general terms)		<Name of Financial Service Provider> <Name of Product> <Date>																	
1. What is this product about?																			
This housing loan is calculated on a variable rate basis and you are offering your house as a security for this financing.																			
2. What do I get from this product?																			
<ul style="list-style-type: none"> Total amount borrowed: RM xx (k% of house price) Tenure: [20] years 		<ul style="list-style-type: none"> Base lending rate (BLR) : k% Interest rate : <ul style="list-style-type: none"> Year 1-3: x% Year 4-5: BLR + y% Thereafter: BLR + z% Effective lending rate: xx% 																	
3. What are my obligations?																			
<ul style="list-style-type: none"> Your monthly instalment is RM xx Total repayment amount at the end of [20] years is RM zz 																			
Important: Your monthly instalment and total repayment amount will vary if the BLR changes.																			
<table border="1"> <thead> <tr> <th>Rate</th><th>Today (BLR=k%)</th><th>If BLR goes up 1%</th><th>If BLR goes up 2%</th></tr> </thead> <tbody> <tr> <td>Monthly instalment</td><td>RM xx</td><td></td><td></td></tr> <tr> <td>Total interest cost at the end of 20 years</td><td>RM yy</td><td></td><td></td></tr> <tr> <td>Total repayment amount at the end of 20 years</td><td>RM zz</td><td></td><td></td></tr> </tbody> </table>				Rate	Today (BLR=k%)	If BLR goes up 1%	If BLR goes up 2%	Monthly instalment	RM xx			Total interest cost at the end of 20 years	RM yy			Total repayment amount at the end of 20 years	RM zz		
Rate	Today (BLR=k%)	If BLR goes up 1%	If BLR goes up 2%																
Monthly instalment	RM xx																		
Total interest cost at the end of 20 years	RM yy																		
Total repayment amount at the end of 20 years	RM zz																		
<ul style="list-style-type: none"> State whether the borrower has to service interest during construction period for a property under construction. Explain how the interest is calculated. 																			

4. What other charges do I have to pay?

a) Stamp Duties

As per the Stamp Act 1949 (Revised 1989)

b) Disbursement Fee

Include fees for registration of charge and other related charges

c) Processing Fees

One time fee charged for approved financing	Rate (RM)	Range (RM)
	50	Up to 30,000
	100	30,001 - 100,000
	200	100,000 and above

5. What if I fail to fulfil my obligations?

- Late payment charges of 1% p.a. on the amount in arrears, causing the total outstanding to increase.
- If you fail to pay 3 monthly instalments consecutively, we may increase the financing rate.
- We may set-off any credit balance in account maintained with us against any outstanding balance in this financing account.
- Legal action will be taken if you fail to respond to reminder notices. Your property may be foreclosed and you will have to bear all costs. You are also responsible to settle any shortfall after your property is sold.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

To highlight other key terms and conditions

6. What if I fully settle the loan during the lock-in period?

- Lock-in period: **k years** (to start from dd/mm/yy)
- Early termination fee: x% of outstanding amount or original financing amount

7. Do I need any insurance coverage?

- Indicate if mortgage reducing term assurance (MRTA) is required.
- Indicate if other insurance coverage is required.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

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9. Where can I get assistance and redress?

- If you have difficulties in making repayments, you should contact us earliest possible to discuss repayment alternatives. You may contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals. You can contact AKPK at:

Tingkat 8, Maju Junction Mall

1001, Jalan Sultan Ismail

50250 Kuala Lumpur

Tel : 1-800-88-2575

E-mail : enquiry@akpk.org.my

- If you wish to complaint on the products or services provided by us, you may contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia

Jalan Dato' Onn

50480 Kuala Lumpur.

Tel : 1-300-88-5465

Fax : 03-21741515

E-mail : bnmtelelink@bnm.gov.my

10. Where can I get further information?

Should you require additional information about taking a housing loan, please refer to the *bankinginfo* booklet on 'Housing Loans', available at all our branches and the www.bankinginfo.com.my website.

11. Other housing loan packages available

- Abc
- Xyz

IMPORTANT NOTE: YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR HOME FINANCING.

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B. Personal Loan *(Please note that this PDS has been replaced)*

<h3>PRODUCT DISCLOSURE SHEET</h3> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the terms in the letter of offer. Seek clarification from your institution if you do not understand any part of this document or the general terms)</p>	<Name of Financial Service Provider> <Name of Product> <Date>																
<h4>1. What is this product about?</h4> <p>Example: This unsecured personal loan is calculated on a variable rate basis.</p>																	
<h4>2. What do I get from this product?</h4> <ul style="list-style-type: none"> Total amount borrowed: RM xxx Interest rate: y% p.a. flat Effective lending rate: z% Tenure: t years 																	
<h4>3. What are my obligations?</h4> <ul style="list-style-type: none"> Your monthly instalment: RM xxx The total amount at the end of (t) years is RM xx <p>Important : Your monthly instalment and total repayment amount will vary if interest rate changes.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Rate</th><th>Today (interest =y%)</th><th>If interest rate goes up 1%</th><th>If interest rate goes up 2%</th></tr> </thead> <tbody> <tr> <td>Monthly instalment</td><td>RM xx</td><td></td><td></td></tr> <tr> <td>Total interest cost at the end of t years</td><td>RM yy</td><td></td><td></td></tr> <tr> <td>Total repayment amount at the end of t years</td><td>RM zz</td><td></td><td></td></tr> </tbody> </table>		Rate	Today (interest =y%)	If interest rate goes up 1%	If interest rate goes up 2%	Monthly instalment	RM xx			Total interest cost at the end of t years	RM yy			Total repayment amount at the end of t years	RM zz		
Rate	Today (interest =y%)	If interest rate goes up 1%	If interest rate goes up 2%														
Monthly instalment	RM xx																
Total interest cost at the end of t years	RM yy																
Total repayment amount at the end of t years	RM zz																
<h4>4. What other charges do I have to pay?</h4> <p>Stamp Duties</p> <p>As per the Stamp Duty Act 1949 (Revised 1989).</p>																	
<h4>5. What if I fail to fulfil my obligations?</h4> <ul style="list-style-type: none"> Late payment charges of 1% p.a on the amount in arrears, causing total outstanding to increase. If you fail to pay 3 monthly instalments consecutively, we may increase the financing rate. We may set-off any credit balance in account maintained with us against any outstanding balance in this financing account. 																	

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- Legal action will be taken if you fail to respond to reminder notices.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

To highlight other key terms and conditions

6. What if I fully settle the loan during the lock-in period?

- Lock-in period: **k years** (to start from dd/mm/yy)
- Early termination fee: x% of outstanding amount or original financing amount

7. Do I need a guarantor or collateral?

Indicate if a guarantor or collateral is required.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get assistance and redress?

- If you have difficulties in making repayments, you should contact us earliest possible to discuss repayment alternatives. You may contact us at:

ABC Bank Berhad
Address:
Tel:
Fax:
E-mail:
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals. You can contact AKPK at:

Tingkat 8, Maju Junction Mall
1001, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 1-800-88-2575
E-mail : enquiry@akpk.org.my
- If you wish to complaint on the products or services provided by us, you may contact us at:

ABC Bank Berhad
Address:
Tel:
Fax:
E-mail:
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur.
Tel : 1-300-88-5465
Fax : 03-21741515

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E-mail : bnmtelelink@bnm.gov.my

10. Other personal loan packages available

- Abc
- xyz

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR PERSONAL LOAN.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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C. Negotiable Instruments of Deposit (with investment tenure of 5 years or less)

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This is a Negotiable Instrument of Deposit (NID) with maturity of <i>XX months/years</i> from the date of issue. The principal amount is only guaranteed if the NID is held to maturity. NID is NOT insured by Perbadanan Insurans Deposit Malaysia.</p>	
<p>2. What do I get from this product?</p>	
<ul style="list-style-type: none"> Minimum nominal value of NID: above RM60,000, in multiples of <i>RMxx</i> Issuance: (<i>at par, premium, or discount</i>) Interest rate: <i>y% p.a.</i> Interest payment frequency: (<i>e.g. monthly, half-yearly, annually, etc.</i>) Interest proceeds calculation: _____ 	<ul style="list-style-type: none"> Index or underlying assets used (<i>for FRNID</i>): _____ Potential interest rate and/or proceeds (<i>for FRNID</i>): _____ Illustration of past and/or future performance based on balanced favourable and worst case scenarios (<i>for FRNID</i>): _____ <p>NOTE: Past performance is not indicative of future performance.</p>
<p>3. What are the key terms and conditions?</p>	
<ul style="list-style-type: none"> Early Withdrawal by Customer Customer should only redeem this NID on maturity date. Any withdrawal of the NID prior to the maturity date will be at a price that will be published by the issuer and may result in a partial loss of the deposit amount. Call Option by the Issuer Issuer may terminate or call parts of the NID prior to the maturity date, whereby, the nominal amount of the terminated or called portion is returned together with any accrued interest. Procedures for redemption of interest proceeds <i>Example:</i> Customer to present the NID certificate to the issuer over-the-counter one day before the interest payment date whereby the issuer will pay the proceeds by 11.00 a.m. on the interest payment date. If the NID certificate is presented on the interest payment date or after, the issuer shall pay the interest proceeds by 5.30 p.m. on the day the certificate is presented. Redemption procedures upon maturity <i>Example:</i> Customer to present the NID certificate to the issuer over-the-counter one day before the maturity date whereby the issuer will pay the proceeds by 11.00 a.m. on the maturity date. However, if the NID certificate is presented on maturity date or after, the issuer shall pay the proceeds by 5.30 p.m. on the day the certificate is presented. 	

4. What are the fees and charges I have to pay?

Type of service	Payable		Maximum rate of charge
	by	to	
Examples: Delivery of certificate to authorised depository which is another institution at primary issue	Customer	Issuer	RMx per certificate
Splitting/combining denominations	Customer	Issuer	RMx per certificate
Maintenance of depository account	Customer	Authorised Depository	RMx per half year

5. What are the major risks?

- To provide summary of key risk factors
Investors will be exposed to the following risks:
 - Market risk
 - Credit risk

6. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

7. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address :

Tel:

Fax:

E-mail:

WARNING (For NID)

This product is principal guaranteed by the issuing bank upon maturity only. If the product is redeemed or sold prior to maturity, customer may LOSE PART of the initial deposit amount. Customer is reminded that this deposit product is NOT INSURED by Perbadanan Insurans Deposit Malaysia.

WARNING (For FRNID)

This product is principal guaranteed by the issuing bank upon maturity only. If the product is redeemed or sold prior to maturity, customer may LOSE PART of the initial deposit amount. The returns on this product are uncertain and customer risks earning NO RETURNS at all. Customer is reminded that this deposit product is NOT INSURED by Perbadanan Insurans Deposit Malaysia.

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D. Investments Linked to Derivatives (for over-the-counter ILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates)

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)		<Name of Financial Service Provider> <Name of Product> <Date>
1. What is this product about? This is an interest rate-linked structured investment. This is a structured product with an embedded derivative linked to performance of an underlying asset - KLIBOR rates. The actual returns on your investment depend on KLIBOR movements. This structured investment is not insured by Perbadanan Insurans Deposit Malaysia.		
2. What do I get from this product?		
<ul style="list-style-type: none"> Minimum investment amount: RM xxx Investment tenure: z years Principal protection: to state level of protection / not guaranteed Interest/Coupon payable: y% per annum during the investment period where KLIBOR moves between j% - k%, or 0% if KLIBOR moves outside the specified band Interest payment frequency: (e.g. monthly, quarterly, half-yearly, annually) Interest proceeds calculation: _____ 	<ul style="list-style-type: none"> Underlying asset(s): 3-month KLIBOR Other key feature: we may repay the investment at an earlier date. Illustration of past performance based on the best and worst case scenarios: _____ <p>Reminder: Past performance is not necessarily indicative of future performance</p>	
3. What are the key terms and conditions of this product that I should know? <ul style="list-style-type: none"> Redemption at maturity - the principal amount is repayable in full if you redeem your investment only at maturity. Early withdrawal - you may receive a sum less than your initial investment if you withdraw all or part of the investment before it matures. The actual amount that you will be paid depends on the market value of the underlying assets of your investment less any penalty payable arising from the early withdrawal. Penalty for early withdrawal - RM xx Payments of interest/coupon are dependent upon the performance of the underlying assets as stipulated in the investment agreement. To indicate other key terms. 		
4. What are the fees and charges I have to pay? Management fees and other sales charges		

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- Management fees and other sales charges are imputed within the investment's rate of return.
- Penalties for early withdrawal may be levied. Please refer to key terms and conditions above.

5. What are the risks involved?

Risks involved: *(to provide summary of key risk factors)*

Investors will be exposed to the following risks:

- i) Market risk
- ii) Credit risk

You are advised to read the investment term sheets and other documents for detailed descriptions of the risks. You are also advised to carefully consider all risk factors before making an investment decision.

6. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

7. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address

Tel:

Fax:

E-mail:

8. Other Investments Linked to Derivatives products available

- abc
- xyz

WARNING:

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS STRUCTURED INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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Product Highlights Sheet Samples

E. **Negotiable Instruments of Deposit** (with investment tenure exceeding 5 years)

PRODUCT NAME

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of (name of product issuer) or as the case may be by the Board of (name of Product Distributor issuing foreign capital market products) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlight Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of (name of unlisted capital market product) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the (name of unlisted capital market product) and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the (name of unlisted capital market product) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the (name of product issuer) responsible for the (name of unlisted capital market product) and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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NOTE:

This template serves only as a GUIDE. The presentation style, contents and type of information below should be amended as necessary to ensure compliance with the Guidelines and the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products.

This Product Highlights Sheet only highlights the key features and risks of this product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

(Read this Product Highlights Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)

The Information provided in this sheet is valid as at or until dd/mm/yy.

<Name of Financial Service Provider>

<Name of Product>

<Date>

1. What is this product about?

This is a Negotiable Instrument of Deposit (NID) with maturity of *XX months/years* from the date of issue. The principal amount is only guaranteed if the NID is held to maturity. NID is **NOT** insured by Perbadanan Insurans Deposit Malaysia.

2. Who is this product suitable for?

Briefly state the types of investors this product is suitable for. Information provided could include:

- *Return objectives e.g. income/capital growth/capital preservation*
- *Whether their principal investment will be at risk*
- *How long they're prepared to hold their investment for*
- *Any other key information peculiar to the product which would help investors to determine if the product is suitable for them*

3. What do I get from this product?

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Minimum nominal value of NID: above RM60,000, in multiples of RMxx • Issuance: <i>(at par, premium, or discount)</i> • Interest rate: y% p.a. • Interest payment frequency: <i>(e.g. monthly, half-yearly, annually, etc.)</i> • Interest proceeds calculation: _____ | <ul style="list-style-type: none"> • Index or underlying assets used <i>(for FRNID)</i>: _____ • Potential interest rate and/or proceeds <i>(for FRNID)</i>: _____ • Illustration of past and/or future performance based on balanced favourable and worst case scenarios <i>(for FRNID)</i>: _____ <p>NOTE: Past performance is not indicative of future performance.</p> |
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4. What are the key terms and conditions?

- *Early Withdrawal by Customer*
Customer should only redeem this NID on maturity date. Any withdrawal of the NID prior to the maturity date will be at a price that will be published by the issuer and may result in a partial loss of the deposit amount.
- *Call Option by the Issuer*
Issuer may terminate or call parts of the NID prior to the maturity date, whereby, the nominal amount of the terminated or called portion is returned together with any accrued interest.
- *Procedures for redemption of interest proceeds*
Example: Customer to present the NID certificate to the issuer over-the-counter one day before the interest payment date whereby the issuer will pay the proceeds by 11.00 a.m. on the interest payment date. If the NID certificate is presented on the interest payment date or after, the issuer shall pay the interest proceeds by 5.30 p.m. on the day the certificate is presented.
- *Redemption procedures upon maturity*
Example: Customer to present the NID certificate to the issuer over-the-counter one day before the maturity date whereby the issuer will pay the proceeds by 11.00 a.m. on the maturity date. However, if the NID certificate is presented on maturity date or after, the issuer shall pay the proceeds by 5.30 p.m. on the day the certificate is presented.

5. Who am I investing with?

- *State the names of all relevant parties involved in the structure of the product, e.g. issuer, originator, servicer, counterparty, guarantor, trustee, custodian, underwriter, principal advisor, Shariah advisor, reporting accountant etc.*
- *State any conflict of interest, if applicable*

6. What are the fees and charges I have to pay?

Type of service	Payable		Maximum rate of charge
	by	to	
Examples: Delivery of certificate to authorised depository which is another institution at primary issue	Customer	Issuer	RMx per certificate
Splitting/combining denominations	Customer	Issuer	RMx per certificate
Maintenance of depository account	Customer	Authorised Depository	RMx per half year

7. What are the major risks?

- *To provide summary of key risk factors for example:*
Investors will be exposed to the following risks:
(i) Market risk
(ii) Credit risk

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8. How often are valuations available?

How often and where valuations are published (i.e. web address/ newspapers where valuations are published)

9. How can I exit from this investment and what are the risks and costs involved?

- *Explain how an investor can exit investment within initial offer period*
- *If an investor cancels investment after initial offer period has lapsed, describe how an investor can exit investment*

10. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

11. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

Website:

WARNING (For NID)

This product is principal guaranteed by the issuing bank upon maturity only. If the product is redeemed or sold prior to maturity, customer may LOSE PART of the initial deposit amount. Customer is reminded that this deposit product is NOT INSURED by Perbadanan Insurans Deposit Malaysia.

WARNING (For FRNID)

This product is principal guaranteed by the issuing bank upon maturity only. If the product is redeemed or sold prior to maturity, customer may LOSE PART of the initial deposit amount. The returns on this product are uncertain and customer risks earning NO RETURNS at all. Customer is reminded that this deposit product is NOT INSURED by Perbadanan Insurans Deposit Malaysia.

LOGGING A COMPLAINT

Example:

1. *For internal dispute resolution, you may contact:*
(Contact details for the product distributor's internal dispute resolution)
2. *If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):*
 - (a) *via phone to: 03-2282 2280*
 - (b) *via fax to: 03-2282-3855*
 - (c) *via email to: info@sidrec.com.my*

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(d) via letter to: *Securities Industry Dispute Resolution Center (SIDREC)*
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

(a) via phone to the Aduan Hotline at: 03 – 6204 8999

(b) via fax to: 03 – 6204 8991

(c) via e-mail to: aduan@seccom.com.my

(d) via online complaint form available at www.sc.com.my

(e) via letter to: *Investor Affairs & Complaints Department*
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

APPENDIX: GLOSSARY

- Explain terms used in Product Highlights Sheet which the investors may not understand
- May include special terms (i.e. legal jargon/ finance jargon)
- Product issuers are encouraged to use simple terms and then explain them in the glossary

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F. Investments Linked to Derivatives (other than over-the-counter ILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates)

PRODUCT NAME

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of (name of product issuer) or as the case may be by the Board of (name of Product Distributor issuing foreign capital market products) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlight Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of (name of unlisted capital market product) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the (name of unlisted capital market product) and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the (name of unlisted capital market product) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the (name of product issuer) responsible for the (name of unlisted capital market product) and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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NOTE:

This template serves only as a GUIDE. The presentation style, contents and type of information below should be amended as necessary to ensure compliance with the Guidelines and the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products.

This Product Highlights Sheet only highlights the key features and risks of this product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

(Read this Product Highlights Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)

The Information provided in this sheet is valid as at or until dd/mm/yy.

<Name of Financial Service Provider>

<Name of Product>

<Date>

1. What is this product about?

This is an interest rate-linked structured investment. This is a structured product with an embedded derivative linked to performance of an underlying asset - KLIBOR rates. The actual returns on your investment depend on KLIBOR movements. This structured investment is **not** insured by the Perbadanan Insurans Deposit Malaysia.

2. Who is this product suitable for?

Briefly state the types of investors this product is suitable for. Information provided could include:

- *Return objectives e.g. income/capital growth/capital preservation*
- *Whether their principal investment will be at risk*
- *How long they're prepared to hold their investment for*
- *Any other key information peculiar to the product which would help investors to determine if the product is suitable for them*

3. What do I get from this product?

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Minimum investment amount: RM xxx • Investment tenure: z years • Principal protection: to state level of protection / not guaranteed • Interest/Coupon payable: y% per annum during the investment period where KLIBOR moves between j% - k%, or 0% if KLIBOR moves outside the specified band • Interest payment frequency: (e.g. monthly, | <ul style="list-style-type: none"> • Underlying asset(s): 3-month KLIBOR • Other key feature: we may repay the investment at an earlier date. • Illustration of past performance based on the best and worst case scenarios: _____ <p>Reminder: Past performance is not necessarily indicative of future performance</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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quarterly, half-yearly, annually)

- Interest proceeds calculation: _____

4. What are the key terms and conditions of this product that I should know?

- Redemption at maturity - the principal amount is repayable in full if you redeem your investment only at maturity.
- Early withdrawal - you may receive a sum less than your initial investment if you withdraw all or part of the investment before it matures. The actual amount that you will be paid depends on the market value of the underlying assets of your investment less any penalty payable arising from the early withdrawal.
- Penalty for early withdrawal - RM xx
- Payments of interest/coupon are dependent upon the performance of the underlying assets as stipulated in the investment agreement.
- To indicate other key terms.

5. Who am I investing with?

- *State the names of all relevant parties involved in the structure of the product, e.g. issuer, originator, servicer, counterparty, guarantor, trustee, custodian, underwriter, principal advisor, Shariah advisor, reporting accountant etc.*
- *State any conflict of interest, if applicable*

6. What are the fees and charges I have to pay?

Management fees and other sales charges

- Management fees and other sales charges are imputed within the investment's rate of return.
- Penalties for early withdrawal may be levied. Please refer to key terms and conditions above.

7. What are the risks involved?

- *To provide summary of key risk factors for example:*
Investors will be exposed to the following risks:
(i) Market risk
(ii) Credit risk

You are advised to read the investment term sheets and other documents for detailed descriptions of the risks. You are also advised to carefully consider all risk factors before making an investment decision.

8. How often are valuations available?

How often and where valuations are published (i.e. web address/ newspapers where valuations are published)

9. How can I exit from this investment and what are the risks and costs involved?

- *Explain how an investor can exit investment within initial offer period*
- *If an investor cancels investment after initial offer period has lapsed, describe how an investor can exit investment*

10. What do I need to do if there are changes to my contact details?

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It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

11. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address :

Tel:

Fax:

E-mail:

12. Other Investments Linked to Derivatives products available

- abc
- xyz

WARNING:

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS STRUCTURED INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

LODGING A COMPLAINT

Example:

1. For internal dispute resolution, you may contact:
(Contact details for the product distributor's internal dispute resolution)
2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):
 - (a) via phone to: 03-2282 2280
 - (b) via fax to: 03-2282-3855
 - (c) via email to: info@sidrec.com.my
 - (d) via letter to: Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:
 - (a) via phone to the Aduan Hotline at: 03 – 6204 8999

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(b) via fax to: 03 – 6204 8991

(c) via e-mail to: aduan@seccom.com.my

(d) via online complaint form available at www.sc.com.my

*(e) via letter to: Investor Affairs & Complaints Department
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur*

APPENDIX: GLOSSARY

- *Explain terms used in Product Highlights Sheet which the investors may not understand*
- *May include special terms (i.e. legal jargon/ finance jargon)*
- *Product issuers are encouraged to use simple terms and then explain them in the glossary*

SCHEDULE II

ISLAMIC BANKING PRODUCTS

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SCHEDULE II : ISLAMIC BANKING PRODUCTS

1. Financing Products

1.1 Pre-contractual stage

- a. Shariah concepts
 - The FSP should explain briefly the Shariah concepts applicable to the financing facility. For example, financing facility under Murabahah concept is a method of sale with a mark-up price where customer pays a price over an agreed period of time.”
- b. Profit charges
 - The FSP should inform the customer of the profit rate or/and mark-up which will be imposed on the financing facility. In disclosing this, the FSP should inform the customer whether the facility will be offered on a fixed rate or variable rate basis or a combination of fixed and variable rate basis. In addition, the FSP should disclose the **effective profit rate** and **total payment amount**, to facilitate comparison by customer. For example, in a variable rate sale based financing product, effective profit rate refer to the profit rate that customer will effectively pay for the financing, based on the existing reference rate.
 - The FSP should also disclose how profit rates on the financing facility will be calculated, for example, on a daily or monthly rest basis. An example of how the methods work would give customer an appreciation of the different methods.
 - For variable rate financing, the customer should be informed of the circumstances under which the profit rate may increase and the effect of a rate increase (for example, whether it would result in an increase in the number or amount of instalments).
 - Information on reference rates, if any, including the effective dates of these rates should be prominently displayed at the FSP’s business premises and websites.
 - For equity-based financing, the FSP is required to disclose the profit and loss-sharing ratio.

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- c. Margin of financing
 - Information on the amount of financing that the FSP is able to offer expressed as a percentage of the property value in the case of Murabahah financing should also be disclosed to the customer before a financing contract is entered into.
- d. Tenure
 - The customer should be informed of the duration of the financing facility.
- e. Collateral
 - If collateral is required for a financing facility, this requirement should be disclosed by the FSP.
- f. Fees and charges
 - The customer should be informed of all fees and charges that are applicable to the financing facility.
 - Disclosure of fees and charges should show clearly the types and basis of fees to be charged.
- g. Takaful / insurance
 - The FSP should indicate any takaful / insurance that is required as a condition of the financing facility, for example, mortgage reducing term takaful (MRTT) or mortgage reducing term assurance (MRTA).
 - The FSP may provide quotations for any compulsory takaful coverage offered by the FSP's panel takaful operators but must make clear to the customer that he is free to use the service of non-panel takaful operators / insurers. This option must be made apparent to the customer. The FSP should also inform the customer that it is only allowed to finance the cost of MRTT but not MRTA.
 - The FSP must not arrange for any takaful cover on behalf of the customer from the FSP's panel of takaful operators without the consent of the customer.

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h. Guarantor

- The FSP should indicate any requirement for a guarantor and inform the guarantor of his rights and obligations as a guarantor.

i. Disclosure by intermediary

- The FSP's sales and marketing representatives contacting the customer must clearly identify the FSP being represented.
- The sales and marketing representatives must describe to the customer the key terms, benefits, and risks of the financial product being offered.

1.2 At the point of entering into a contract

a. Amount and terms of financing

- The customer must be informed of the financing amount that includes the selling price or total rental, whichever is applicable, the terms and total instalment at the end of the tenure, including the total amount of profit charges on the approved financing facility.
- In disclosing the total instalment for variable rate financing, the FSP must make known to the customer that the information is accurate only if the profit rate remains unchanged.
- The customer should also be informed of the timing when profit charges will be debited into the financing account, for example on a monthly basis or at agreed intervals.

b. Payment schedule¹

- The FSP should provide the customer with a payment schedule containing the date of the first instalment, the number of instalments to be paid under the agreement, the frequency of payment and the amount to be paid for each instalment payment.
- For variable rate financing, the customer should be made aware that the payment schedule is based on the profit rate that was in effect at the time the financing agreement is signed.

¹ The FSP must observe any relevant requirements under Guidelines on Ibra'(Rebate) for Sale-Based Financing and Guidelines on Late Payment Charges for Islamic Banking Institutions.

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c. Compensation charges ²

- The FSP should inform the customer of the compensation charges for late payment of instalments.
- The FSP should state when compensation charges will be imposed and the rate of compensation to be imposed.
- The FSP should also disclose to the customer the manner in which compensation charges will be computed.

d. Lock-in period and early settlement ²

- The FSP should make known to the customer any applicable lock-in period.
- The FSP should indicate whether early settlement charges are payable if the financing facility is terminated before the end of the lock-in period, how the charges will be calculated and when they are payable.
- If a rebate for early settlement is applicable, the FSP should inform the customer of the entitlement and the calculation applicable for the rebate.
- If the customer settles or cancels financing agreement early, the FSP should inform the customer of the rebate for MRTT / MRTA, if any.

e. Pre-payment / Overpayment ²

- The FSP should inform the customer whether pre-payment or overpayment of the monthly instalment is allowed and the impact on the calculation of profit charges.
- The FSP should alert the customer of the amount of any pre-payment charge that may be imposed.

f. Right to set-off

- It should be made transparent to the customer if the FSP has the right to set-off any credit balance in the customer's accounts against any debit balance in other accounts maintained with the FSP.

² The FSP must observe any relevant requirements under Guidelines on Ibra'(Rebate) for Sale-Based Financing and Guidelines on Late Payment Charges for Islamic Banking Institutions.

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- g. Right to outsource debt collection and sell non-performing financing (NPF)
 - The customer should be made aware that the FSP has the right to outsource debt collection to external agency and the FSP's right to sell NPF to a third party.
- h. Death of accountholder / joint accountholder
 - The FSP should highlight to the customer the implications on the financing facility in the event of death of the accountholder or joint accountholder during the tenure of the facility.
- i. Change of contact details
 - The customer should be informed of the importance of notifying the FSP of any change in contact details.
- j. Default mechanism
 - The FSP should explain clearly the default mechanism based on the different Shariah concepts applicable to the financing facility. Illustrations should be provided to ease the customer's understanding of the default mechanism.

1.3 During the term of the contract

- a. Financing statement
 - The FSP should provide a financing statement to the customer at least once a year. The statement should indicate the outstanding balance at the beginning and end of the period covered by the statement, the amount credited and charged and the dates when those amounts were posted to the account.
 - Financing statements should be mailed to the customer. However, the customer should be informed if there is an alternative to obtain the statement electronically.
- b. Change in effective profit rates for variable rate financing

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- Any change or revision to effective profit rates that is consistent with the Islamic financing contract should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
 - The FSP should also provide the customer with revised particulars of instalments or rental payable after each profit charges adjustment.
- c. Change to the terms and conditions
- Should there be any change in the terms and conditions, the FSP should provide at least 21 calendar days notice to the customer before the new terms and conditions take effect.
 - Any change in fees and charges applicable to the financing facility should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
 - Communication should be done in writing or electronically to the customer.
- d. Intention to set-off
- If the FSP has the right to set-off any credit balance in the customer's accounts against any outstanding balance in the financing accounts, the customer should be informed at least 7 calendar days in advance on the FSP's intention to set-off a credit balance in the customer's accounts against a debit balance in the financing accounts.
 - The FSP may concurrently earmark the available funds in the customer's accounts against the outstanding balance in the financing accounts upon the issuance of the notice to the customer.
- e. Delinquent accounts
- The FSP should ensure that a delinquent customer is given sufficient reminders on the amount outstanding and charges incurred on the delinquent account. The customer should also be warned of possible actions the FSP may take if reminders to update the delinquent account are ignored.

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- The customer should be informed at least 7 calendar days in advance if the collection of outstanding amount for a delinquent account is to be outsourced to a third party debt collection agency. This notification time frame also applies to a customer whose delinquent account has been classified as NPF and sold to a third party. In this regard, the FSP should notify the affected customer within 7 calendar days of obtaining a vesting order from the Court.
- In the notice, the customer's rights and obligations should be clearly communicated after the account has been transferred to a debt collection agency or sold to a third party. A copy of the notice should also be sent to the guarantors.
- Under specific circumstances where the customer is not contactable, the FSP's obligation is considered to be fulfilled if such notice has been sent to the last known address of the customer at least 7 calendar days in advance.
- The FSP should provide the customer with the name and contact details of the appointed third party debt collection agency or the third party to whom the NPF has been sold.
- The FSP is required to inform the customer of the services of Agensi Kaunseling Dan Pengurusan Kredit by inserting the note below in all reminders sent to the customer (disclosure in less than 8-point font is not allowed):

English version

“Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. For enquiry, please call 1-800-88-2575”.

Bahasa Malaysia version

“Agensi Kaunseling Dan Pengurusan Kredit telah ditubuhkan oleh Bank Negara Malaysia untuk menyediakan perkhidmatan pengurusan kewangan, kaunseling kredit, pendidikan kewangan dan penstrukturan semula pembiayaan secara

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percuma kepada individu. Untuk membuat pertanyaan, sila hubungi talian 1-800-88-2575”.

2. Deposit Products

2.1 Pre-contractual stage

- a. Shariah concepts
 - The FSP should explain briefly the Shariah concepts applicable to the deposit product, including the rights and obligations of the customer. For instance, the concept of Wadiah Yad Dhamanah refers to safekeeping where the FSP acts as custodian and is authorised by the depositor to use the cash deposits. Therefore, the FSP guarantees the safe custody of the cash deposits and shall provide the cash upon request by the depositor.
- b. Shariah compliance
 - The FSP must disclose that funds are invested and managed in accordance with Shariah requirements.
- c. Basic Banking Services
 - The FSP is required to inform the customer of the availability of the basic savings account and basic current account as well as the key features.
- d. Deposit amount
 - The FSP must disclose the initial deposit amount required to open an account and the minimum deposit to be maintained in the account.
 - The customer should also be informed of the consequences of not maintaining a minimum deposit amount in the account, for example, the imposition of a monthly service fee.
- e. Profit sharing ratio
 - The customer should be informed of the profit sharing ratio by the FSP for deposits under the mudarabah concept, including the frequency of profit

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payment. For deposit products with fixed tenure, the FSP should disclose the historical profit rates to facilitate comparison by the customer.

- The FSP should also inform the customer if a minimum deposit amount is required for the account to be eligible for profit sharing.
- Information on profit sharing ratios, including the effective dates of these rates, should be displayed at all business premises and websites.

f. Deposit insurance

- The FSP should inform the depositor whether a deposit account is covered by Perbadanan Insurans Deposit Malaysia and other related information, including the limit of coverage for the account.

g. Fees and Charges

- The customer should be informed about all fees and charges on both standard and additional services applicable to the deposit account.
- If the FSP's ATM card allows withdrawals from ATMs abroad, the relevant transaction fees and charges as well as the basis used in determining the conversion rate should be made transparent to the customer.

2.2 At the point of entering into a contract

a. Overdrawn on account

- The customer should be informed of the applicable charges should the current account be overdrawn without a prior overdraft arrangement or beyond the overdraft limit when overdraft arrangement exists.
- If the FSP reserve the right to set-off the shortfall from another deposit account of the customer, this must be made transparent to the customer.

b. Right to set-off

- The FSP must inform the customer if the FSP has the right to set-off any credit balance in the customer's deposit accounts against any debit balance in other accounts maintained with the FSP.

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- c. Stop payment
 - The customer should be informed of any charge on any “stop payment” instruction received from the customer.

- d. Early closure of account
 - The FSP should disclose any charge applicable to early closure of account within a specified time frame.

- e. Operation of a joint account
 - Should the customer choose to operate a joint account, the FSP should disclose the following information:
 - The rights and responsibilities of each of the joint accountholder
 - Implications of the signing arrangements as specified in the account mandate
 - The manner in which such designated signatories or signing arrangements can be varied by one or more of the joint accountholder.
 - It should also be made clear to joint accountholders whether the FSP claim the right to set-off the credit balance in one account against the debit balance in another account which may be held by one or more of the joint accountholders.
 - The FSP should highlight to the joint accountholders the implications to the deposit account in the event of the death of a joint accountholder.

- f. Loss of savings passbook
 - The FSP must inform the customer the importance of proper safekeeping of savings passbook and the procedures involved should the savings passbook be lost and any charge involved (if any) in obtaining a new savings passbook.

- g. Inactive account
 - The FSP should highlight to the customer the circumstances under which an account will be considered as inactive.

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h. Change of contact details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.

2.3 Disclosure during the term of the contract

a. Account statement

- For accounts without a passbook, the FSP should provide a statement to the customer at least once a quarter and the frequency of the mailed statement should be made known.
- If the customer requests for additional statements, the FSP must inform the customer of the charges, if any, upon the request of such statements.
- For accounts for which statements are made available on-line, for example internet banking, the FSP must ensure that the customer can still have access to hardcopy statements, if requested.

b. Change in profit rates

- The FSP should notify customers of the prevailing profit rates declared.
- The change notice must be prominently displayed at the FSP's business premises and website.

c. Change to the terms and conditions

- Should there be any change in the terms and conditions, the FSP should provide at least 21 calendar days notice to the customer before the new terms and conditions take effect.
- Any change in fees and charges applicable to the deposit account should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
- Communication should be done in writing or electronically to the customer.

d. Dormant / inactive account

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- If an account has been dormant, free reminders should be sent to the customer informing about the impending dormancy and ultimate transfer of funds from the account to the Registrar of Unclaimed Moneys (RUM).
- The customer should also be informed about the option to reactivate or close the account before funds in the account are transferred to the RUM.
- Before funds from a dormant account are transferred to the RUM, the FSP should give the customer at least 21 calendar days' notice on when the transfer will take place.
- The FSP should provide for free to the customer the procedures involved in claiming the moneys from the RUM, upon request.

3. Investment Accounts

Part I. General disclosure requirements for investment accounts

3.1 Pre-contractual stage

- a. Shariah concepts
 - The FSP should explain briefly the Shariah concepts applicable to the investment accounts including the rights and obligations of the customer. The FSP must also inform the customer that any losses arising from the investment (other than losses caused by misconduct, negligence or breach of terms and conditions by the FSP) must be borne by the customer.
- b. Shariah compliance
 - The FSP should disclose that investment account funds are invested and managed in accordance with Shariah requirements.
- c. Investment amount
 - The FSP must disclose the minimum amount required to open an investment account. The customer should also be warned of the consequences of premature upliftment of the investment account, including forfeiture of profits.

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d. Profit sharing ratio

- The FSP should disclose to the customer the profit sharing ratio that is agreed on investment accounts, and if income smoothening is practised through profit equalisation reserve.
- Information on profit ratios should be displayed at all business premises and websites.

e. Deposit insurance

- The FSP should inform the customer whether an investment account is covered by Perbadanan Insurans Deposit Malaysia and other related information, including the limit of coverage for the account.

f. Crediting of profits

- The FSP should disclose to the customer the timing when profits will be credited into the investment account to facilitate informed comparisons and decision-making.

g. Key features

- The customer should be informed of the key features of the account including investment strategy, investment options and allocation among various types of assets. In addition, greater disclosure is expected for specific investment account (SIA) as explained in Part II.

3.2 At the point of entering into a contract

a. Renewal guidelines

- The customer should be made aware of the renewal options available (e.g. automatic renewal or over-the-counter renewal).
- The customer should be alerted of the FSP's policy concerning automatic renewals of investment deposit accounts. If automatic renewals do not constitute an active transaction, the customer should be informed of the possibility of moneys kept in investment accounts on an automatic renewal arrangement being transferred to the Registrar of Unclaimed Moneys (RUM) after 7 years of automatic renewals.

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b. Early upliftment

- The FSP should make known to the customer any applicable lock-in period.
- The FSP should inform the customer of any charge should the investment be uplifted before the end of the minimum lock-in period.
- The FSP should also inform the customer on the implications of uplifting an investment before the expiry of the maturity period such as forfeiture of share of profits.

c. Loss of investment accounts certificate

- The FSP must inform the customer the importance of proper safekeeping of investment account certificate and the procedures involved should the investment account certificate be lost or stolen and any charge involved.

d. Inactive account

- The FSP should highlight to the customer the circumstances under which an account will be considered as inactive.

e. Change of contact details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.

3.3 During the term of the contract

a. Option for renewal

- The customer should be informed of the options for renewal when the investment account reaches its maturity date to enable the customer to decide whether to renew the investment or to redeem the investment.

b. Changes in investment strategies

- The customer should be informed of material changes in the FSP's investment strategies that affect the investment accounts, particularly for SIA.

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c. Treatment of dormant account

- If an investment account has been dormant, the FSP should send reminders to the customer informing the impending dormancy and ultimate transfer of funds from the account to the RUM. These reminders should not entail any cost to the customer.
- Before funds from a dormant investment account are transferred to the RUM, the FSP should give the customer at least 21 calendar days' notice on when the transfer will take place.
- If funds from a dormant investment account have been transferred to the RUM, the FSP should provide for free to the customer the procedures involved in claiming the moneys from the RUM, upon request.

Part II. Additional disclosure requirements for SIA

i. Pre-contractual stage

a. Suitability

The FSP should advise the customer to assess the suitability of the investment choices by considering whether:

- the tenure of the investment account matches the customer's investment horizon
- the type of financing and/or investment under the assets portfolio for the investment account matches the customer's investment objectives and risk appetite
- the customer understands the financial risks, potential losses and the investment strategy of the assets portfolio for the investment account.

b. Fees and charges

- The FSP should disclose and explain the nature, amount and frequency of payment of all applicable fees and charges.

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ii. **At the point of entering into a contract**

a. Risks and returns

- The FSP must provide clear and adequate explanation of all material risks of the investment, including potential loss of part or the entire principal sum invested if the product is not held to maturity, so that the customer could make an informed investment decision.
- In disclosing the benefits, the FSP should provide a balanced view by highlighting the SIA's potential upside and downside. Key assumptions made should be clearly stated.

b. Illustration of past and future performance

- When using past performance of the underlying instruments / assets (where applicable) to project future returns of the SIA, the FSP should use actual returns of the immediately preceding 5 years (or the available period, if shorter). The FSP must clearly state that past performance is not indicative of future performance. Likewise, when using any forecast of the economic trends of the markets, the FSP should include a prominent warning that such forecast is not necessarily indicative of the SIA's future returns.
- In projecting future performance of the SIA, the FSP should include the bull (best case, where feasible), flat (moderate case) and bear (worst case) scenarios showing a range of potential gains or losses resulting from changes in the value of the underlying instruments / assets. The purpose is to enhance the customer's understanding of the impact of different scenarios. The FSP should also limit the projections to 5 years. The assumptions used must be reasonable and should be clearly stated.
- The FSP should ensure that information on future performance is not the most prominent feature in the communication materials.
- Any comparison of performance figures must be relevant and accurate, comparing "like for like" to ensure such presentation is not misleading.
- Where an opinion is expressed, there should be a reasonable basis for including the opinion and it should be clearly stated that it is a statement of opinion.

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c. Risk warning statement

- The FSP must highlight the following risk warning statement.

WARNING

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING INSTRUMENTS / ASSETS. THE RETURNS ARE UNCERTAIN AND CUSTOMER RISKS EARNING NO RETURNS AT ALL. IF THE INVESTMENT IS REDEEMED EARLY, CUSTOMER MAY LOSE PART OR THE ENTIRE PRINCIPAL SUM INVESTED.

- in Arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an offer of the investment account;
- in Arial 24-point font in bold capital letters, as the first slide in any promotional soft copy slide presentation and/or hard copy print out; and
- in Arial font bold capital letters, on the first and last pages of any advertising material, in a font size no smaller than the font size of the content. The text must be capable of being read with reasonable ease.

d. Early termination

- For investment account where the principal sum invested is only guaranteed if held to maturity, the FSP must draw this to the attention of the customer. The customer must be informed of the consequence, restrictions and procedures of terminating the investment before maturity. The FSP should be transparent on the discretion to impose early termination charges.

e. Capital guarantee

- An investment account that merely adopts an investment strategy aimed at returning the customer's capital but is not guaranteed shall not be represented as a capital protected product or any other name that connotes a similar meaning.
- A SIA may be represented as capital guaranteed if the guarantee is explicitly provided for by a third party which is a FSP licensed by the Bank

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and which fulfils the principles outlined in the Shariah Standard on Mudarabah . The FSP shall disclose the following:

- The name and credit rating of the guarantor, if the guarantor is a third party;
 - The material terms and scope of the guarantee (for example, where capital is only guaranteed if held to maturity); and
 - Appropriate cautions with regard to counterparty risks associated with any guarantee, in particular those associated with any third party guarantor.
- f. Cooling-off period
- The FSP should inform the customer if a cooling-off period is applicable to the investment account and the relevant conditions under which a cooling-off period is applicable. A cooling-off period allows the customer to terminate the contract within a specified period and obtain a full refund of money paid.

4. Investment Products

As per subparagraph 4.1 in the Overview section, the disclosure requirements for Islamic Negotiable Instruments (INI) apply to both retail and institutional customer. The FSP may refer to the "Explanatory Notes on NID and INI", for additional guidance.³

Where the FSP develops and distributes unlisted capital market products, the FSP must also comply with the requirements under the Guidelines on Sales Practices of Unlisted Capital Market Products issued by the Securities Commission.

In circumstances where the investment product falls under the scope of the Guidelines as well as the Guidelines on Sales Practices of Unlisted Capital Market Products, the FSP should:

³ The "Explanatory Notes on NID and INI" can be obtained from the FAST website at <https://fast.bnm.gov.my/fastweb>.

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- a. Prepare a product highlights sheet in place of the product disclosure sheet. However, in preparing the product highlights sheet, the FSP must ensure that it fully complies with the disclosure requirements set out in subparagraphs 4.1 and 4.2.1 to 4.2.2 below. A sample base template following that developed by SC is included in Appendices II (G) and (H) of this Schedule and serves as a guide. FSPs are expected to expand the templates as necessary to cater for the peculiarities of the products offered and ensure compliance with the Guidelines and the Guidelines on Sales Practices of Unlisted Capital Market Products.
- b. Should be guided by the language requirements as provided under subparagraphs 12.1 to 12.3 in the general policy requirements section of the Guidelines.

4.1 Islamic Negotiable Instruments (INI)

4.1.1 Pre-contractual stage

- a. Description and terms and conditions

The FSP should provide the customer with a description and key terms of the product, including but not limited to the following:

- Type and specification:
 - Applicable Shariah contract
 - Underlying asset(s) for INI based on sale contract
 - Tenure
 - Issue amount
 - Format (e.g. scripless without INI certificates).
- Profit
 - Computation
 - Frequency of profit payment.
- Procedures for redemption of profit.
- Procedures for redemption upon maturity.

- b. Deposit insurance

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The customer must be clearly informed that an INI is not insured by Perbadanan Insurans Deposit Malaysia. The disclosure must be prominently presented in all advertisements in at least Arial 12-point font.

c. Fees and charges

The FSP should disclose and explain the nature, amount and frequency of payment of all applicable fees and charges.

d. Suitability (only applicable to retail customers)

The FSP should explain to the customer the circumstances where the product will be suitable. The following should be asked of the customer:

- the INI matches the customer's investment objective and risk appetite
- the customer understands the financial risks and potential losses that may arise from investing in the product
- the tenure of INI matches the customer's investment horizon.

4.1.2 At the point of entering into a contract

a. Early withdrawal by the customer

- The FSP should ensure that the customer is fully aware of the tenure of the INI. The FSP must clearly disclose to the customer that any reduction in the principal or profit payment upon early withdrawal shall be based on the Shariah contract applied for the INI.

b. Early termination by issuer and callability feature

The FSP should ensure that the customer is informed of any early termination or callability feature of the INI. The FSP must properly disclose the terms and conditions, including the return of principal and any accrued income, and how the accrued income is calculated. In this respect, an illustration should be considered.

c. Investment strategy

An INI that merely adopts an investment strategy aimed at returning the customer's capital but is not guaranteed, shall not be represented as a

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capital protected product or any other name that connotes a similar meaning.

d. Availability of information

The FSP should inform the customer of the availability of the following information should the need arise and upon request by the customer:

- buy-back of the INI
- performance of the assets in pricing the INI (e.g. for INI based on Mudarabah)
- any other prevailing general and operational information on the INI.

e. Change of contact details

The customer should be informed of the importance of notifying the FSP of any change in contact details.

f. Risks

The customer should be clearly and fully apprised of the significant risks and benefits associated with the INI.

g. Risk warning statement

The FSP must highlight the following risk warning statement in the documents and according to the format below:

Format for INI based on equity contract

<p><u>WARNING</u></p> <p>THIS PRODUCT IS NOT PRINCIPAL GUARANTEED. CUSTOMER MAY LOSE PART OR ALL OF THE INITIAL DEPOSIT. THE RETURNS ON THIS PRODUCT ARE UNCERTAIN AND CUSTOMER RISKS EARNING NO RETURNS AT ALL. THIS PRODUCT IS NOT COVERED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.</p>

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Format for INI based on sale contract

WARNING

THIS PRODUCT IS PRINCIPAL GUARANTEED. CUSTOMER WILL BE PAID THE SELLING PRICE UPON MATURITY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, THE CUSTOMER MAY LOSE PART OF THE SELLING PRICE. THIS PRODUCT IS NOT COVERED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

- in Arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an issue, offer or availability of INI products.
 - in Arial 24-point font in bold capital letters, as the first slide in any promotional soft copy slide presentation and/or hardcopy print out.
 - in Arial font bold capital letters, on the first and last pages of advertising or promotional material, in a font size no smaller than the font size of the content.
- h. Change of contact details
- The customer should be informed of the importance of notifying the FSP of any change in contact details.

4.2 Islamic Investments Linked to Derivatives (IILD)⁴

4.2.1 Pre-contractual stage

- a. Product description
- The FSP should provide the customer with a description of the product, including but not limited to the following:
 - Brief explanation of the applicable Shariah concepts
 - Capital guaranteed or non-capital guaranteed
 - Investment tenure

⁴ The FSP issuing IILD should observe the Securities Commission's disclosure requirements that are relevant to IILD, in particular, the sections on Disclosure Requirement, and Suitability and Fair Dealing Requirements under the "Guidelines on the Offering of Structured Products".

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- Yield computation and frequency of yield payment
- Index or underlying asset(s)
- Key terms and conditions.

b. Deposit insurance

- The customer must be clearly informed whether an IILD is covered by Perbadanan Insurans Deposit Malaysia. The disclosure must also be prominently presented in all advertisements and other promotional materials in at least Arial 12-point font.
- The FSP should not label IILD as “structured deposit” to avoid giving consumers the impression that the product is deemed a deposit.

c. Suitability

- The FSP should explain to the customer of the products suitability, and issues to be considered:
 - the tenure of the IILD matches the customer’s investment horizon
 - the IILD matches the customer’s investment objectives and risk appetite
 - the customer understands the financial risks and potential losses that may arise from investing in the IILD.

d. Fees and charges

- The FSP shall disclose and explain the nature, amount and frequency of payment of all applicable fees and charges.

e. Disclosure by intermediary

- The FSP’s sales and marketing representatives contacting the customer must clearly identify the FSP being represented.
- The sales and marketing representatives must describe to the customer the key terms, benefits and risks of the investment product being offered.

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4.2.2 At the point of entering into a contract

- a. Risks and returns
 - The FSP must provide clear and adequate explanation of all material risks of investing in the IILD product, including potential loss of the principal sum invested if the product is not held to maturity, so that the customer could make an informed investment decision. The level of detail required will depend on the complexity and nature of the risks involved.
 - In disclosing the benefits, the FSP should provide a balanced view by highlighting the IILD's potential upside and downside. Key assumptions made should be clearly stated.
- b. Illustration of past and future performance
 - When using past performance of the underlying instruments **to project future returns of the IILD**, the FSP should use actual returns of the immediately preceding 5 years (or the available period, if shorter). The FSP must clearly state that past performance is not indicative of future performance. Likewise, when using any forecast of the economic trends of the markets, the FSP should include a prominent warning that such forecast is not indicative of the IILD's future returns.
 - The FSP is not allowed to market an IILD based on projected / expected returns. Illustrations of potential gains and losses through numerical examples based on bull, flat and bear scenarios are allowed to enhance the customer's understanding of the impact of different scenarios in relation to the product. If numerical examples are illustrated, all three scenarios must be given and shall illustrate losses under the bear scenario, where possible. The assumptions used must be reasonable and should be clearly stated.
 - Any comparison of performance figures must be relevant and accurate, comparing "like for like" to ensure such presentation is not misleading.
 - Where an opinion is expressed, there should be a reasonable basis for including the opinion and it should be clearly stated that it is a statement of opinion.

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c. Risk warning statement

- The FSP must highlight the following risk warning statement at the bottom of every page of any document released and/or any advertising medium used pertaining to an issue, offer or invitation of IILD.

WARNING

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

- in Arial 12-point font in bold capital letters, at the bottom of every page of any document released pertaining to an issue, offer, invitation or availability of the IILD product.
- in Arial 24-point font in bold capital letters, as the first slide in any promotional soft copy slide presentation and/or hard copy print out.
- in Arial font bold capital letters, on the first and last pages of any advertising material, in a font size no smaller than the font size of the content. The text must be capable of being read with reasonable ease.

d. Early termination

- For IILD product where the principal sum invested is only guaranteed if held to maturity, the FSP must draw this to the attention of the customer. The customer must be informed of the consequence, restrictions and procedures of terminating the investment before maturity. The FSP should be transparent in cases where the customer suffers partial loss of the principal amount for early termination. The FSP must also disclose early termination charges, if any.
- **If the issuing FSP has the right to redeem the IILD before its maturity and with no additional compensation to the customer, clear explanation of such right and the computation of the impact on returns must be presented in writing and intimated to the customer.**

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- The FSP must ensure that the maximum potential loss to the customer is limited to the amount of capital invested.
- e. Capital guarantee
- An IILD that merely adopts an investment strategy aimed at returning the customer's capital but is not guaranteed shall not be represented as a capital protected or capital guaranteed product or any other name that connotes a similar meaning.
 - An IILD may be represented as capital guaranteed if the guarantee is explicitly provided for by a third party which is a FSP licensed by the Bank and which fulfils the principles outlined in the Shariah Standard on Mudarabah . The FSP shall disclose the following:
 - The name and credit rating of the guarantor, if the guarantor is a third party;
 - The material terms and scope of the guarantee (for example, where capital is only guaranteed if held to maturity); and
 - Appropriate cautions with regard to counterparty risks associated with any guarantee, in particular those associated with any third party guarantor.
- f. Cooling-off period
- The FSP should inform the customer if a cooling-off period is applicable to the IILD and the relevant conditions under which a cooling-off period is applicable. A cooling-off period allows the customer to terminate the contract within a specified period and obtain a full refund of money paid.
- g. Availability of information
- The FSP should inform the customer of availability of pertinent information on his investment, for example, information on performance of the index or underlying assets.
- h. Change of contact details
- The customer should be informed of the importance of notifying the FSP of any change in contact details.

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4.2.3 During the term of the contract

- a. Statement
 - The FSP should provide a statement on the performance of the IILD to the customer at least once a year.

5. Safe Deposit Box-i

- a. Annual rental and other charges
 - Information on annual rental and other charges applicable to safe deposit boxes should be transparent to the customer.
- b. Insurance / takaful coverage
 - The customer should be informed of the maximum insurance / takaful coverage provided by the FSP and the circumstances under which the coverage applies to the contents of the box. The FSP should highlight to the customer the need to obtain additional insurance / takaful coverage if the maximum coverage provided by the FSP is insufficient to protect the interest of the customer.
- c. FSP's liability
 - If the FSP's terms and conditions limit its liability, such limitations should be highlighted to the customer.
- d. Permissible items
 - The FSP should make clear to the customer the types of items that can be stored in a safe deposit box and those which are prohibited.
- e. Change in rental rates and other charges
 - Any change in rental rates and other charges should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.

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- f. Branch relocation or termination of safe deposit box service
 - The FSP should notify the customer at least 30 calendar days prior to the effective date of relocating the safe deposit boxes. This notification period also applies if the FSP intends to terminate the safe deposit box service.

- g. Change of contact details
 - The customer should be informed of the importance of notifying the FSP of any change in contact details.

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Appendix I Requirement for Product Disclosure Sheet

Type of Product	Requirement for Product Disclosure Sheet	
	Yes	No
Financing Products		
Housing Financing-i	✓	
Personal Financing-i	✓	
Other Financing-i Products	✓	
Deposit Products		
Savings Account-i		✓
Current Account-i		✓
Investment Accounts		
General Investment Accounts	✓	
Special Investment Accounts	✓	
Investment Products		
Islamic Negotiable Instruments (INI)	<p>INI products with investment tenure of 5 years or less:</p> <p>✓</p>	<p>INI products with investment tenure exceeding 5 years: To comply with the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products on Product Highlights Sheet, and to incorporate information required under subparagraph 4.1 of this Schedule</p>

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Islamic Investments Linked to Derivatives (IILD)	For over-the-counter IILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates ✓	For IILD products other than over-the-counter IILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates: To comply with the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products on Product Highlights Sheet, and to incorporate information required under subparagraphs 4.2.1 and 4.2.2 of this Schedule
Safe Deposit Box - i		✓
Other Products	✓	

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Appendix II Product Disclosure Sheet Samples

A. House Financing-i (*Please note that this PDS has been replaced*)

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the terms in the letter of offer. Seek clarification from your institution if you do not understand any part of this document or the general terms)		<Name of Financial Service Provider> <Name of Product> <Date>																	
1. What is this product about?																			
<i>Example:</i> This house financing is calculated on a variable rate basis and you are offering your house as a security of this financing.																			
2. What is the Shariah concept applicable																			
<ul style="list-style-type: none"> FSP to briefly describe the applicable Shariah concept and the relevant mechanism. This 																			
3. What do I get from this product?																			
<i>Example:</i> <ul style="list-style-type: none"> Total amount financed : RM xxx Profit rate : <ul style="list-style-type: none"> Year 1-3: x% Year 4-15: BFR + y% Thereafter: BFR + z% 		<ul style="list-style-type: none"> Ceiling profit rate : x% p.a. Selling price : RM xxx Margin of financing: p% Tenure: 20 years Effective profit rate : z% <p><i>*BFR must be known at time of financing</i></p>																	
4. What are my obligations?																			
<i>Example:</i> <ul style="list-style-type: none"> Your monthly instalment is RM x Total repayment amount at the end of [20] years is RM xx If applicable, rebate may be provided to the customer if there is a difference between the ceiling profit rate and the effective profit rate. <table border="1"> <thead> <tr> <th>Rate</th><th>Today (BFR=k%)</th><th>If BFR goes up 1%</th><th>If BFR goes up 2%</th></tr> </thead> <tbody> <tr> <td>Monthly instalment</td><td>RM xx</td><td></td><td></td></tr> <tr> <td>Total interest cost at the end of <i>t</i> years</td><td>RM yy</td><td></td><td></td></tr> <tr> <td>Total repayment amount at the end of <i>t</i> years</td><td>RM zz</td><td></td><td></td></tr> </tbody> </table>				Rate	Today (BFR=k%)	If BFR goes up 1%	If BFR goes up 2%	Monthly instalment	RM xx			Total interest cost at the end of <i>t</i> years	RM yy			Total repayment amount at the end of <i>t</i> years	RM zz		
Rate	Today (BFR=k%)	If BFR goes up 1%	If BFR goes up 2%																
Monthly instalment	RM xx																		
Total interest cost at the end of <i>t</i> years	RM yy																		
Total repayment amount at the end of <i>t</i> years	RM zz																		
5. What other charges do I have to pay?																			
Stamp Duties																			

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As per the Stamp Duty Act 1949 (Revised 1989).

Disbursement Fees

Include fees for registration of charge and other related charges.

Processing Fees

	Rate (RM)	Range (RM)
One time fee charged for approved financing	50	Up to 30,000
	100	30,001 - 100,000
	200	100,000 and above

6. What if I fail to fulfil my obligations?

- Late payment charges, example 1% p.a. on the amount in arrears, causing the total obligations to increase
- We may set-off any credit balance in your account maintained with us against any outstanding balance in this financing account.
- Legal action: *<Describe the type of foreseeable legal actions and consequential costs that the FSP may impose to customer>*.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

To highlight other key terms and conditions

7. What if I fully settle the financing before its maturity?

- Lock-in period: k years (to start from dd/mm/yy)
- Early termination fee: x% of outstanding amount or original financing amount
- If rebate is applicable, the computation is as follows: _____ *< FSP to refer to Guidelines on Ibra' (Rebate) for Sale-Based Financing >*

8. Do I need any insurance / takaful coverage?

- Indicate if mortgage reducing term assurance (MRTA) or mortgage reducing term takaful (MRTT) is required.
- Indicate if other takaful coverage is required.

9. What are the major risks?

To describe the major risks such as, profit rate risk, for example:

The profit rate on this financing is fixed only for the first x years. For the subsequent years, profit rates might change according to changes in the base financing rates. An increase in base financing rate may result in higher monthly payment.

10. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

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11. Where can I get assistance and redress?

- If you have difficulties in making monthly payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals. You can contact AKPK at:

Tingkat 8, Maju Junction Mall

1001, Jalan Sultan Ismail

50250 Kuala Lumpur

Tel : 1-800-88-2575

E-mail : enquiry@akpk.org.my

- If you wish to complaint on the products or services provided by us, you may contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia

Jalan Dato' Onn

50480 Kuala Lumpur.

Tel : 1-300-88-5465

Fax : 03-21741515

E-mail : bnmtelelink@bnm.gov.my

12. Where can I get further information?

Should you require additional information on Islamic house financing, please refer to the *bankinginfo* booklet on 'House Financing-i', available at all our branches and the www.bankinginfo.com.my website.

13. Other housing loan packages available

- Abc
- Xyz

IMPORTANT NOTE: YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP PAYING INSTALMENTS ON YOUR HOME FINANCING.

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B. Personal Financing-i (*Please note that this PDS has been replaced*)

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the terms in the letter of offer. Seek clarification from your institution if you do not understand any part of this document or the general terms)

<Name of Financial Service Provider>

<Name of Product>

<Date>

1. What is this product about?

Example:

This is an unsecured personal financing calculated on a variable rate basis.

2. What is the Shariah concept applicable

FSP to briefly describe the applicable Shariah concept and the relevant mechanism.

3. What do I get from this product?

Example:

- Total selling price : RM xxx
- Total amount finance : RM xxx
- Profit rate: y% p.a.
- **Effective profit rate : z%**
- Tenure: t years

4. What are my obligations?

Example:

- Your monthly instalment: RM xxx
- The total amount at the end of (t) years is RM xx

Important : Your monthly instalment and total payment amount will vary if profit rate changes.

Rate	Today (profit rate=y%)	If profit rate goes up 1%	If profit rate goes up 2%
Monthly instalment	RM xx		
Total profit cost at the end of t years	RM yy		
Total payment amount at the end of t years	RM zz		

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5. What other charges do I have to pay?

Stamp Duties

As per the Stamp Duty Act 1949 (Revised 1989).

6. What if I fail to fulfil my obligations?

- Late payment charges, example 1% p.a. on the amount in arrears, causing total obligations to increase.
- We may set-off any credit balance in your account maintained with us against any outstanding balance in this financing account.
- Legal action: *<Describe the type of foreseeable legal actions and consequential costs that the FSP may impose to customer>*
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

To highlight other key terms and conditions

7. What if I fully settle the financing before its maturity?

- Lock-in period k years (to start from dd/mm/yyyy)
- Early settlement charges : x% of outstanding amount or original financing amountIf rebate is applicable, the computation is as follows: _____ *<FSP to refer to Guidelines on Ibra' (Rebate) for Sale-Based Financing.*

8. Do I need a guarantor or collateral?

- Indicate if a guarantor or collateral is required.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get assistance and redress?

- If you have difficulties in making monthly payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:
ABC Bank Berhad
Address:
Tel:
Fax:
E-mail:
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals. You can contact AKPK at:
Tingkat 8, Maju Junction Mall
1001, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 1-800-88-2575

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E-mail : enquiry@akpk.org.my

- If you wish to complaint on the products or services provided by us, you may contact us at:

ABC Bank Berhad
51, Jalan Sultan Ismail
50122 Kuala Lumpur
Tel:
Fax:
E-mail:

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur.
Tel : 1-300-88-5465
Fax : 03-21741515
E-mail : bnmtelink@bnm.gov.my

11. Other personal financing packages available

- abc
- xyz

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR PERSONAL FINANCING.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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C. General Investment Account

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This is a General Investment Account (GIA) with profit payable at maturity for GIA 12 months and below or every 6 month until maturity date for GIA above 12 months This deposit is covered by the Malaysia Deposit Insurance Corporation (PIDM).</p>	
<p>2. What is the Shariah concept applicable?</p>	
<ul style="list-style-type: none"> The Shariah concept applicable is <i>Mudarabah</i> This refers to an agreement between the investment account holder and the Islamic banking institution where the investment account holder agree to participate in the financial activities undertaken by the Islamic banking institutions and share the profit generated from financing and/or investment activities based on an agreed profit-sharing ratio. 	
<p>3. What do I get from this product?</p>	
<ul style="list-style-type: none"> Minimum initial deposit amount: RM xx for j month or RM xxx for k months and above Tenure: 1, 3, 6, 9, 12,15 or 18 months Rates and profit sharing ratio : 70% (Account holder) : 30% (Bank) Profit equalisation reserve (PER) : To disclose whether PER is practised 	
<p>4. What are the other key terms and conditions of this product that I should know?</p>	
<ul style="list-style-type: none"> Where withdrawal is after 1 month period, a portion of the eligible profit may be paid to the investment account holder at the Bank's discretion. Withdrawal of less than 1 month period shall not be entitled to any share of the profit. This account allows for partial withdrawal before maturity <p>To indicate other key terms.</p>	
<p>5. What are the fees and charges I have to pay?</p>	
<ul style="list-style-type: none"> Replacement of lost certificate : RM20 (including stamp duty) 	
<p>6. What are the risks involved?</p>	
<p>Risks involved: <i>(to provide summary of key risk factors)</i></p> <p><i>(To highlight other key terms and conditions.)</i></p>	

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You are advised to carefully consider all risk factors before making an investment decision.

7. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

8. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

9. Other General Investment Account (GIA-i) Products available

- abc
- xyz

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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D. Specific Investment Account

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This is a Specific Investment Account (SIA) with profit payable at maturity. This investment is covered by the Malaysia Deposit Insurance Corporation (PIDM).</p>	
<p>2. What is the Shariah concept applicable?</p>	
<ul style="list-style-type: none"> The Shariah concept applicable is <i>Mudarabah</i>. This refers to an agreement between the investment account holder and the Islamic banking institution where the investment account holder agree to participate in the financial activities undertaken by the Islamic banking institutions and share the profit generated from financing and/or investment activities based on an agreed profit-sharing ratio. 	
<p>3. What do I get from this product?</p>	
<ul style="list-style-type: none"> Minimum initial investment amount: RM xx for j month or RM xxx for k months and above Tenure: 15 years Capital guaranteed : to state level of guarantee / not guaranteed Profit payment frequency : (e.g. monthly, quarterly, half-yearly, annually, at maturity) Profit sharing ratio : 95% (Account holder) : 5% (Bank) Profit equalisation reserve (PER) : To disclose whether PER is practised Underlying asset (s) (if applicable) : _____ Illustration of past performance based on the best and worst case scenarios : _____ Reminder : Past performance is not necessarily indicative of future performance 	
<p>4. What are the other key terms and conditions of this product that I should know?</p>	
<ul style="list-style-type: none"> Redemption at maturity - the principal amount is repayable in full if you redeem your investment only at maturity Early withdrawal - you may receive a sum less than your initial investment if you withdraw all or part of the investment before it matures. The actual amount that you will be paid depends on the market value of the underlying assets of which your investment is linked to at the point of withdrawal less any charge payable (as listed below), arising from the early withdrawal. Charges for early withdrawal - RM xx Payment of profit is dependent upon the performance of the underlying asset as stipulated in the investment agreement. <p>(To indicate other key terms.)</p>	

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5. What are the fees and charges I have to pay?

- Charges for early withdrawal may be levied. Please refer to key terms and conditions above.

6. What are the risks involved?

Risks involved: *(to provide summary of key risk factors)*

Investors will be exposed to the following risks:

- Market risk
- Credit risk

(To highlight other key terms and conditions.)

You are advised to read the investment term sheets and other documents for detailed descriptions of the risks. You are also advised to carefully consider all risk factors before making an investment decision.

7. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

8. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad
Address:
Tel:
Fax:
E-mail:

9. Other Specific Investment Account products available

- abc
- xyz

WARNING:

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING INSTRUMENTS / ASSETS. THE RETURNS ARE UNCERTAIN AND CUSTOMER RISKS EARNING NO RETURNS AT ALL. IF THE INVESTMENT IS REDEEMED EARLY, CUSTOMER MAY LOSE PART OR THE ENTIRE PRINCIPAL SUM INVESTED.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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E. Islamic Negotiable Instrument (with investment tenure of 5 years or less)

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)		<Name of Financial Service Provider> <Name of Product> <Date>
1. What is this product about? This is an Islamic Negotiable Instrument (INI) with maturity of xx months/years from the date of issue. The customer will receive the selling price amount or the nominal amount (principal plus profit) if the INI is held to maturity. This product is NOT covered by the Malaysia Deposit Insurance Corporation (PIDM).		
2. What is the Shariah contract applicable? <ul style="list-style-type: none"> The Shariah contract applicable is <i>Bai' Bithaman Ajil</i>. This refers to a method of sale with deferred payment basis at a price which includes a profit margin agreed by both banking institution and customer. 		
3. What do I get from this product?		
<ul style="list-style-type: none"> Minimum nominal value of NIDC: above RM60,000, in multiples of RMxx Issuance: <i>(at discount)</i> Profit margin : y% p.a. Underlying assets used: _____ Profit payment frequency: <i>(e.g. monthly, quarterly, half-yearly, annually, at maturity, etc.)</i> 	<ul style="list-style-type: none"> Profit proceeds calculation: _____ 	
4. What are the other key terms and conditions of this product that I should know? <ul style="list-style-type: none"> Early Withdrawal by Customer: Customer should only redeem this INI on maturity date. Any withdrawal of the INI prior to the maturity date will be at a price that will be published by the issuer and/or based on the following calculation: _____; and may result in a partial loss of the principal amount. Call Option by the Issuer: Issuer may terminate or call parts of the INI prior to the maturity date by way of providing the customer the published price whereby, the nominal amount of the terminated or called portion is returned together with any accrued profit, and/or based on the following calculation: _____ Procedures for redemption of proceeds: <i>Example:</i> Customer to present the INI certificate to the issuer over-the-counter one day before the profit payment date whereby the issuer will pay the proceeds by 11.00 a.m. on the profit payment date. However, if the INI certificate is presented on the profit payment date or after, the issuer shall pay the profit proceeds by 5.30 p.m. on the day the certificate is presented. Procedures for redemption upon maturity: <i>Example:</i> Customer to present the INI certificate to the issuer over-the-counter one day before the maturity date whereby the issuer will pay the proceeds by 11.00 a.m. on the maturity date. However, if the INI certificate is presented on maturity date or after, the issuer shall pay the proceeds by 5.30 p.m. on the day the certificate is presented. 		

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5. What are the fees and charges I have to pay?

Type of service	Payable		Maximum rate of charge
	by	to	
Delivery of certificate to authorised depository which is another institution at primary issue	Customer	Issuer	RMX per certificate
Splitting/combining denominations	Customer	Issuer	RMX per certificate
Maintenance of depository account	Customer	Authorised Depository	RMX per half year

6. What are the risks involved?

- To provide summary of key risk factors

Investors will be exposed to the following risks:

- Market risk
- Credit risk

7. What do I need to do if there are changes to my personal details?

It is important that you inform us of any change in your personal details to ensure that all correspondences reach you in a timely manner.

8. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address :

Tel:

Fax:

E-mail:

9. Other Islamic Negotiable Instruments available

- Abc

WARNING:

THIS PRODUCT IS PRINCIPAL GUARANTEED. CUSTOMER WILL BE PAID THE SELLING PRICE UPON MATURITY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, THE CUSTOMER MAY LOSE PART OF THE SELLING PRICE. THIS PRODUCT IS NOT COVERED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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F. Investments Linked to Derivatives-i (For over-the-counter IILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates)

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)		<Name of Financial Service Provider> <Name of Product> <Date>
1. What is this product about? This is a structured product with an embedded derivative linked to the performance of an underlying asset, where the bank acts as agent to manage the investments. This structured investment is not covered by the Malaysia Deposit Insurance Corporation (PIDM).		
2. What is the Shariah concept applicable? <ul style="list-style-type: none"> The Shariah concept applicable is Wakalah bi al- istithmar. This refers to an “investment agency” contract where the investor (the principal) appoints the bank (the agent) to undertake investment activities on behalf of the principal for a fee. The bank acts in two capacities - as agent in accepting deposits from the participant who plans to invest, and as investment manager in carrying out Shariah-compliant investment activities as agreed by the parties. The bank as an agent cannot guarantee the profit expected from the investment. 		
3. What do I get from this product?		
<ul style="list-style-type: none"> Minimum investment amount: RM xxx Investment Tenure: z years Capital guaranteed: to state the level guaranteed / not guaranteed Profit/Coupon payable: y% per annum during the investment period where KLIBOR moves between j% - k% or if KLIBOR moves outside the specified band Profit payment frequency: (e.g. monthly, quarterly, half-yearly, annually) Profit proceeds calculation: _____ 	<ul style="list-style-type: none"> Underlying asset(s): 3-month KLIBOR Other key feature: we may repay the investment at an earlier date Illustration of past performance based on the best and worst case scenarios: _____ Reminder: Past performance is not necessarily indicative of future performance 	
4. What are the other key terms and conditions of this product that I should know? <ul style="list-style-type: none"> Redemption at maturity - the principal amount is repayable in full if you redeem your investment only at maturity. Early withdrawal - you may receive a sum less than your initial investment if you withdraw all or part of the investment before it matures. The actual amount that you will be paid depends on the market value of the underlying assets your investment is linked to at the point of withdrawal less any charge payable (as listed below) arising from the early withdrawal. Charges for early withdrawal - RM xx 		

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Payments of profit/coupon are dependent upon the performance of the underlying assets as stipulated in the investment agreement.

(To indicate other key terms.)

5. What are the fees and charges I have to pay?

- Wakalah/Commission fee of up to y% of Fund size to be paid upfront.
- Penalties for early withdrawal may be levied. Please refer to key terms and conditions above.

6. What are the risks involved?

Risks involved: *(to provide summary of key risk factors)*

Investors will be exposed to the following risks:

- (i) Market risk
- (ii) Credit risk

(To highlight other key terms and conditions.)

You are advised to read the investment term sheets and other documents for detailed descriptions of the risks. You are also advised to carefully consider all risk factors before making an investment decision.

7. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

8. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

9. Other Investment Linked to Derivatives products available

- abc
- xyz

WARNING:

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS STRUCTURED INVESTMENT IS NOT COVERED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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Product Highlights Sheet Samples

G. Islamic Negotiable Instrument (with investment tenure exceeding 5 years)

PRODUCT NAME

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of (name of product issuer) or as the case may be by the Board of (name of Product Distributor issuing foreign capital market products) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlight Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of (name of unlisted capital market product) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the (name of unlisted capital market product) and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the (name of unlisted capital market product) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the (name of product issuer) responsible for the (name of unlisted capital market product) and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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NOTE:

This template serves only as a GUIDE. The presentation style, contents and type of information below should be amended as necessary to ensure compliance with the Guidelines and the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products.

This Product Highlights Sheet only highlights the key features and risks of this product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

(Read this Product Highlights Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)

The Information provided in this sheet is valid as at or until dd/mm/yy.

<Name of Financial Service Provider>

<Name of Product>

<Date>

1. What is this product about?

This is an Islamic Negotiable Instrument (INI) with maturity of xx months/years from the date of issue. The customer will receive the selling price amount or the nominal amount (principal plus profit) if the INI is held to maturity. This product is **NOT** covered by the Malaysia Deposit Insurance Corporation (PIDM).

2. Who is this product suitable for?

Briefly state the types of investors this product is suitable for. Information provided could include:

- *Return objectives e.g. income/capital growth/capital preservation*
- *Whether their principal investment will be at risk*
- *How long they're prepared to hold their investment for*
- *Any other key information peculiar to the product which would help investors to determine if the product is suitable for them*

3. What is the Shariah contract applicable?

- The Shariah contract applicable is *Bai' Bithaman Ajil*.
- This refers to a method of sale with deferred payment basis at a price which includes a profit margin agreed by both banking institution and customer.

4. What do I get from this product?

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Minimum nominal value of NIDC: above RM60,000, in multiples of RMxx Issuance: (at discount) Profit margin : y% p.a. Underlying assets used: _____ Profit payment frequency: (e.g. monthly, quarterly, half-yearly, annually, at maturity, etc.) | <ul style="list-style-type: none"> Profit proceeds calculation: _____ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|

5. What are the other key terms and conditions of this product that I should know?

- Early Withdrawal by Customer:**
Customer should only redeem this INI on maturity date. Any withdrawal of the INI prior to the maturity date will be at a price that will be published by the issuer and/or based on the following calculation: _____; and may result in a partial loss of the principal amount.
- Call Option by the Issuer:**
Issuer may terminate or call parts of the INI prior to the maturity date by way of providing the customer the published price whereby, the nominal amount of the terminated or called portion is returned together with any accrued profit, and/or based on the following calculation: _____
- Procedures for redemption of proceeds:**
Example: Customer to present the INI certificate to the issuer over-the-counter one day before the profit payment date whereby the issuer will pay the proceeds by 11.00 a.m. on the profit payment date. However, if the INI certificate is presented on the profit payment date or after, the issuer shall pay the profit proceeds by 5.30 p.m. on the day the certificate is presented.
- Procedures for redemption upon maturity:**
Example: Customer to present the INI certificate to the issuer over-the-counter one day before the maturity date whereby the issuer will pay the proceeds by 11.00 a.m. on the maturity date. However, if the INI certificate is presented on maturity date or after, the issuer shall pay the proceeds by 5.30 p.m. on the day the certificate is presented.

6. Who am I investing with?

- State the names of all relevant parties involved in the structure of the product, e.g. issuer, originator, servicer, counterparty, guarantor, trustee, custodian, underwriter, principal advisor, Shariah advisor, reporting accountant etc.
- State any conflict of interest, if applicable

7. What are the fees and charges I have to pay?

Type of service	Payable		Maximum rate of charge
	by	to	
Delivery of certificate to authorised depository which is another institution at primary issue	Customer	Issuer	RMX per certificate
Splitting/combining denominations	Customer	Issuer	RMX per certificate
Maintenance of depository account	Customer	Authorised Depository	RMX per half year

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8. What are the risks involved?

- To provide summary of key risk factors

Investors will be exposed to the following risks:

- Market risk
- Credit risk

9. How often are valuations available?

How often and where valuations are published (i.e. web address/ newspapers where valuations are published)

10. How can I exit from this investment and what are the risks and costs involved?

- Explain how an investor can exit investment within initial offer period
- If an investor cancels investment after initial offer period has lapsed, describe how an investor can exit investment

11. What do I need to do if there are changes to my personal details?

It is important that you inform us of any change in your personal details to ensure that all correspondences reach you in a timely manner.

12. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address:

Tel:

Fax:

E-mail:

13. Other Islamic Negotiable Instruments available

- Abc

WARNING:

THIS PRODUCT IS PRINCIPAL GUARANTEED. CUSTOMER WILL BE PAID THE SELLING PRICE UPON MATURITY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, THE CUSTOMER MAY LOSE PART OF THE SELLING PRICE. THIS PRODUCT IS NOT COVERED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

LODGING A COMPLAINT

Example:

- For internal dispute resolution, you may contact:
(Contact details for the product distributor's internal dispute resolution)
- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):

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(a) via phone to: 03-2282 2280

(b) via fax to: 03-2282-3855

(c) via email to: info@sidrec.com.my

(d) via letter to: *Securities Industry Dispute Resolution Center (SIDREC)*
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

(a) via phone to the Aduan Hotline at: 03 – 6204 8999

(b) via fax to: 03 – 6204 8991

(c) via e-mail to: aduan@seccom.com.my

(d) via online complaint form available at www.sc.com.my

(e) via letter to: *Investor Affairs & Complaints Department*
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

APPENDIX: GLOSSARY

- Explain terms used in Product Highlights Sheet which the investors may not understand
- May include special terms (i.e. legal jargon/ finance jargon)
- Product issuers are encouraged to use simple terms and then explain them in the glossary

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- H. Investments Linked to Derivatives-i** (other than over-the-counter IILD whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates)

PRODUCT NAME

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of (name of product issuer) or as the case may be by the Board of (name of Product Distributor issuing foreign capital market products) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlight Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of (name of unlisted capital market product) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the (name of unlisted capital market product) and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the (name of unlisted capital market product) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the (name of product issuer) responsible for the (name of unlisted capital market product) and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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NOTE:

This template serves only as a GUIDE. The presentation style, contents and type of information below should be amended as necessary to ensure compliance with the Guidelines and the Securities Commission's Guidelines on Sales Practices of Unlisted Capital Market Products.

This Product Highlights Sheet only highlights the key features and risks of this product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

(Read this Product Highlights Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)

The Information provided in this sheet is valid as at or until dd/mm/yy.

<Name of Financial Service Provider>

<Name of Product>

<Date>

1. What is this product about?

This is a structured product with an embedded derivative linked to the performance of an underlying asset, where the bank acts as agent to manage the investments. This structured investment is **not** covered by the Malaysia Deposit Insurance Corporation (PIDM).

2. Who is this product suitable for?

Briefly state the types of investors this product is suitable for. Information provided could include:

- *Return objectives e.g. income/capital growth/capital preservation*
- *Whether their principal investment will be at risk*
- *How long they're prepared to hold their investment for*

Any other key information peculiar to the product which would help investors to determine if the product is suitable for them

3. What is the Shariah concept applicable?

- The Shariah concept applicable is Wakalah bi al- istithmar.
- This refers to an "investment agency" contract where the investor (the principal) appoints the bank (the agent) to undertake investment activities on behalf of the principal for a fee. The bank acts in two capacities - as agent in accepting deposits from the participant who plans to invest, and as investment manager in carrying out Shariah-compliant investment activities as agreed by the parties. The bank as an agent cannot guarantee the profit expected from the investment.

4. What do I get from this product?

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- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Minimum investment amount: RM xxx • Investment Tenure: z years • Capital guaranteed: to state the level guaranteed / not guaranteed • Profit/Coupon payable: y% per annum during the investment period where KLIBOR moves between j% - k% or if KLIBOR moves outside the specified band • Profit payment frequency: (e.g. monthly, quarterly, half-yearly, annually) • Profit proceeds calculation: _____ | <ul style="list-style-type: none"> • Underlying asset(s): 3-month KLIBOR • Other key feature: we may repay the investment at an earlier date • Illustration of past performance based on the best and worst case scenarios:
_____ • Reminder: Past performance is not necessarily indicative of future performance |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

5. What are the other key terms and conditions of this product that I should know?

- Redemption at maturity - the principal amount is repayable in full if you redeem your investment only at maturity.
- Early withdrawal - you may receive a sum less than your initial investment if you withdraw all or part of the investment before it matures. The actual amount that you will be paid depends on the market value of the underlying assets your investment is linked to at the point of withdrawal less any charge payable (as listed below) arising from the early withdrawal.
- Charges for early withdrawal - RM xx

Payments of profit/coupon are dependent upon the performance of the underlying assets as stipulated in the investment agreement.

(To indicate other key terms.)

6. Who am I investing with?

- *State the names of all relevant parties involved in the structure of the product, e.g. issuer, originator, servicer, counterparty, guarantor, trustee, custodian, underwriter, principal advisor, Shariah advisor, reporting accountant etc.*
- *State any conflict of interest, if applicable*

7. What are the fees and charges I have to pay?

- Wakalah/Commission fee of up to y% of Fund size to be paid upfront.
- Penalties for early withdrawal may be levied. Please refer to key terms and conditions above.

8. What are the risks involved?

Risks involved: *(to provide summary of key risk factors)*

Investors will be exposed to the following risks:

- Market risk
- Credit risk

(To highlight other key terms and conditions.)

You are advised to read the investment term sheets and other documents for detailed descriptions of the risks. You are also advised to carefully consider all risk factors before making an investment decision.

9. How often are valuations available?

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How often and where valuations are published (i.e. web address/ newspapers where valuations are published)

10. How can I exit from this investment and what are the risks and costs involved?

- *Explain how an investor can exit investment within initial offer period*
- *If an investor cancels investment after initial offer period has lapsed, describe how an investor can exit investment*

11. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

12. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* booklet on 'Investing Your Money', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad
Address :
Tel:
Fax:
E-mail:

13. Other Investment Linked to Derivatives products available

- abc
- xyz

WARNING:

THE RETURNS ON THIS INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS PRODUCT IS NOT COVERED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

LOGGING A COMPLAINT

Example:

1. *For internal dispute resolution, you may contact:*
(Contact details for the product distributor's internal dispute resolution)
2. *If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):*
 - (a) via phone to: 03-2282 2280*
 - (b) via fax to: 03-2282-3855*
 - (c) via email to: info@sidrec.com.my*
 - (d) via letter to: Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A*

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*Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur*

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

(a) via phone to the Aduan Hotline at: 03 – 6204 8999

(b) via fax to: 03 – 6204 8991

(c) via e-mail to: aduan@seccom.com.my

(d) via online complaint form available at www.sc.com.my

*(e) via letter to: Investor Affairs & Complaints Department
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur*

APPENDIX: GLOSSARY

- *Explain terms used in Product Highlights Sheet which the investors may not understand*
- *May include special terms (i.e. legal jargon/ finance jargon)*
- *Product issuers are encouraged to use simple terms and then explain them in the glossary*

SCHEDULE III

INSURANCE PRODUCTS

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SCHEDULE III : INSURANCE PRODUCTS

1. Ordinary Life Insurance Products

1.1 Pre-contractual stage

- a. Disclosure by FSP
 - The FSP must inform the customer that it is licensed under the IA and regulated by Bank Negara Malaysia.
 - Where insurance is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the policy must be disclosed to the customer.
- b. Advising and selling
 - The FSP should inform the customer of the importance of providing sufficient and accurate information to enable the FSP to advise the customer on the suitability of the life insurance product, taking into consideration the appropriateness of the product to the customer's needs and circumstances.
- c. Product features

The FSP should provide the customer with a description of the life insurance product, including:

 - types of life insurance and scope of cover;

For example:

 - **Term insurance** offers insurance protection for a limited period only, e.g. 10 years. The benefits will be paid only if the insured passes away or if the insured suffers total and permanent disability during the term of the policy.
 - **Whole life insurance** offers life-long protection and premiums are paid throughout the customer's life. The benefits will be paid when the insured passes away or if the insured suffers total and permanent disability during the term of the policy.
 - **Endowment insurance** combines protection and savings. The benefits will be paid either at the maturity of the policy, death of the

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insured or the occurrence of permanent disability during the term of the policy, whichever is earlier.

- whether the product is meant for protection, savings, investment or a combination;
- whether the policy is participating in profits immediately or whether it is participating in profits with a deferment period to be specified or whether it does not participate in profits;
- in respect of participating life policies, a brief explanation of the different types of bonuses payable on the policy (whether cash, simple or compound reversionary or terminal bonus) and that the full value of the reversionary bonus is not payable on early termination or conversion of the policy. The customer should be advised to refer to the sales illustration for further information;
- a general explanation on how the bonuses are determined, if applicable;
- the details of the riders attached to the main policy, if any.

d. Benefits payable and exclusions

- The following information should be disclosed to the customer:
 - the benefits payable and circumstances or contingencies upon which benefits are payable by the FSP to the customer;
 - limitation on benefits and the duration for which it is applicable, if any;
 - restrictions of benefits (including lien imposed on the policy) and exclusions of the insurance policy to ensure the customer understands what is not covered under the policy; and
 - the surrender value payable under the life policy and whether it is guaranteed or not guaranteed.

e. Premium payments

- The FSP must provide the customer the details of the premium payments, including:
 - the amount of premiums, frequency with which and period over which payment is to be made in respect of the life insurance policy.

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The FSP should qualify that the premium rate is applicable to standard risks and that the policy terms and rates may vary depending on the underwriting requirements of the FSP;

- whether the premium rate is guaranteed or non-guaranteed; and
- the grace period, which gives the customer additional period of time after the due date, for the payment of premium.

f. Disclosure of commissions and charges

- The FSP shall disclose and explain the nature, amount and frequency of the payment of all applicable fees and charges borne by the customer (e.g. policy fees and surrender charges).

LIFE INSURERS WILL BE REQUIRED TO PROVIDE COMMISSION DISCLOSURE¹ AT A DATE TO BE ADVISED LATER.

1.2 At the point of entering into a contract

a. Contractual rights and obligations

- The customer should be informed of the following:
 - any significant condition or obligation which the customer must meet;
 - duty of the customer to disclose all information material to the insurance and the consequences of failure to disclose / wrongful disclosure by the customer;
 - the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the insurance contract;
 - the requirement for proof of age to be provided;
 - the date of commencement of risk, the duration of the life insurance contract and the date of maturity or date on which the benefits are payable, if applicable;
 - the consequences of failure to pay premiums within the grace period and provisions of reinstatement;

¹ This requirement applies to life insurance products sold through all channels of distribution other than savings products sold via bancassurance. The disclosure requirements on commissions and charges for savings products sold via bancassurance are stated in the Guidelines on Bancassurance.

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- the importance of receiving and keeping the receipt from the FSP as proof of payment of premiums by the customer; and
 - time frame required by the FSP to issue a policy.
- b. Free-look period
- The FSP should inform the customer clearly about the free-look period / cooling-off period of 15 calendar days from the delivery date of the policy to review the suitability of the newly-purchased policy. It should be highlighted that a customer has the right to return the policy within 15 calendar days of the delivery of the policy, after reviewing the terms and conditions of the policy. Any expenses incurred by the FSP for the medical examination of the customer could be deducted from the premiums.
- c. Replacement of policies
- The FSP must warn the customer on the possible implications and disadvantages of switching policy from one type of life insurance policy to another or from one FSP to another FSP.
- d. Claims
- The FSP must explain to the customer the claim procedures and the customer's responsibilities in relation to making a claim against the policy.
- e. Other important notices
- Other important notices to the customer include:
 - the customer should be satisfied that the product would best serve the customer's needs and that the premium payable under the policy is affordable; and
 - the provisions for nomination and assignment, including the importance of making a nomination and its implications. The customer must be advised to nominate a nominee and ensure that the nominee is aware of the life insurance policy that the customer has purchased.

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- Where the FSP provides provisional insurance protection from the date of receipt of a payment towards the premium, the FSP must disclose to the customer the terms and conditions, and limitations attaching to such insurance protection during the period up to the date of issue of the life policy.
 - Where the FSP does not provide insurance until the proposal has been examined and accepted by the FSP, the FSP must disclose to the customer that insurance protection shall only be provided effective from the date of issue of the life policy.
- f. Change of contact details
- The customer should be informed of the importance of notifying the FSP of any change in contact details, including the address of the customer, the nominee and/or trustee.

1.3 During the term of the contract

- a. Non-forfeiture options
- In the event of first non-payment of premiums by the customer, the FSP must inform the customer within 30 calendar days after the premium due date:
 - the automatic premium loan (APL) that has been applied in accordance to the life policy to keep the policy in-force and the interest rate that will be charged on the amount of premium loan outstanding. The customer must be informed that the loan amount will be deducted from the cash value of the policy; and
 - the various non-forfeiture options that are available to the customer and the advantages and disadvantages of each option:
 - ♦ **cash / surrender value** with the caution that the customer will only receive an amount which is much less than **the premiums paid if the policy is surrendered**;
 - ♦ **reduced paid-up** and its effect on the sum assured; and
 - ♦ **other non-forfeiture options** offered by the FSP such as extended term insurance.

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- After the APL has been applied for a maximum period of 12 months:
 - the FSP is required to write to the customer to offer the customer all available non-forfeiture options. The FSP may exercise its discretion to inform the customer of all available non-forfeiture options prior to the 12-month period;
 - the FSP is required to give the customer 90 calendar days to decide if the customer intends to continue the policy on APL or choose another non-forfeiture option such as reduced paid-up or extended term insurance. In the case of trust policies, the customer is required to obtain the trustee's consent for conversion to reduced paid-up or extended term insurance; and
 - once the customer confirms in writing of the chosen non-forfeiture option, the new non-forfeiture option shall be effected on the date of election. The FSP shall continue to apply the default option pending the reply from the customer.
- b. Cessation of business with insurance agents
 - In the event the insurance agent ceases to operate or ceases to continue to arrange its life policies, the FSP is encouraged to inform the affected customer (either by written notice or via electronic means) of the following:
 - that the insurance agent has ceased to operate or has ceased to continue to arrange its life policies;
 - the new point of contact for policy servicing; and
 - how future premiums can be transmitted to the FSP, if applicable.

2. Investment-Linked (IL) Insurance Products

2.1 Pre-contractual stage

- a. Disclosure by FSP
 - The FSP must inform the customer that it is licensed under the IA and regulated by Bank Negara Malaysia.

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- Where insurance is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the policy must be disclosed to the customer.
- b. Advising and selling
- The FSP should inform the customer of the importance of providing sufficient and accurate information to enable the FSP to advise the customer on the suitability of the IL product, taking into consideration the appropriateness of the product to the customer's needs and circumstances.
- c. Nature and objective of the IL product
- The FSP should provide the customer with a description of the IL product, such as:
 - the type of IL product;
 - the nature of the investment including the underlying assets, objectives of the fund and investment strategy of the IL product, to enable the customer to make a proper assessment of the fund and its potential risks. The customer should be advised to refer to the relevant sales materials for further information;
 - the availability of the top-up facility and its use as a method to maximise the customer's investment value; and
 - the basic insurance coverage, in the event of death and total permanent disability, and the multiple of the premium paid.
- d. Benefits payable and exclusions
- The following information should be disclosed to the customer:
 - the benefits payable and circumstances or contingencies upon which benefits are payable by the FSP to the customer;
 - policy benefits will fluctuate based on the underlying performance of the IL fund;
 - limitation on benefits and the duration for which it is applicable, if any;

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- restrictions of benefits (including lien imposed on the policy) and exclusions of the insurance policy to ensure the customer understands what is not covered under the policy; and
 - the surrender value payable under the IL policy and whether it is guaranteed or not guaranteed.

- e. Premium payments
 - The FSP must provide the customer the details of the premium payments, including:
 - whether it is a single lump-sum premium payment product or a regular-premium product;
 - the amount of premiums, frequency with which and period over which payment is to be made in respect of regular premium product. The FSP should qualify that the premium rate is applicable to standard risks and that the policy terms and rates may vary, depending on the underwriting requirements of the FSP; and
 - the grace period, which gives the customer additional period of time after the due date, for the payment of premium.

- f. Disclosure of commissions and charges
 - The FSP must provide the customer the full details of the costs charged, including:
 - commissions borne by the customer expressed in aggregate amount payable for each policy year; and
 - other fees and charges borne by the customer which are not included in the premiums and the purpose of each fee or charge.

LIFE INSURERS WILL BE REQUIRED TO PROVIDE COMMISSION DISCLOSURE² ON IL PRODUCTS WITH EFFECT FROM 15 APRIL 2010.

² This requirement applies to IL products sold through all channels of distribution other than bancassurance. The disclosure requirements on commissions and charges for IL products sold via bancassurance are stated in the Guidelines on Bancassurance.

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2.2 At the point of entering into a contract

- a. Risks and returns
 - The customer should be advised of the significant risks and benefits of investing in the IL product in order to make informed decisions. The customer should be advised to refer to the sales literature for further information.
 - In disclosing the benefits, the FSP should highlight to the customer the potential upside and downside of the product.
 - Given that returns on IL product are often contingent on the performance of underlying assets, the FSP should highlight to the customer that past performance is not indicative of future performance.
- b. Suitability of IL product
 - The customer should be asked to at least consider the following:
 - whether the allocation of insurance premiums towards protection and investment meets the customer's financial circumstances;
 - whether the IL funds chosen match the customer's investment objectives and risk appetite;
 - whether the customer understands the financial risks and potential losses that may arise from investing in the IL product; and
 - the customer should be satisfied that the product would best serve the customer's needs and that the premium payable under the policy is affordable.
- c. Contractual rights and obligations
 - The customer should be informed of the following:
 - any significant condition or obligation which the customer must meet;
 - duty of the customer to disclose all information material to the insurance and the consequences of failure to disclose / wrongful disclosure by the customer;
 - the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the insurance contract;
 - the requirement for proof of age to be provided;
 - the date of commencement of risk;

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- the consequences of failure to pay premiums within the grace period and provisions of reinstatement;
 - the importance of receiving and keeping the receipt from the FSP as proof of payment of premiums by the customer; and
 - time frame required by the FSP to issue a policy.
- d. Free-look period
- The FSP should inform the customer clearly about the free-look period / cooling-off period of 15 calendar days from the date of delivery of the policy to review the suitability of the newly-purchased policy. It should be highlighted that a customer has the right to return the policy within 15 calendar days of the delivery of the policy, after reviewing the terms and conditions of the policy, and the FSP shall refund:
 - the unallocated premiums;
 - value of units that have been allocated (if any) at unit price at the next valuation date; and
 - any insurance charge and policy fee that have been deducted, less medical expenses which may have been incurred.
- e. Replacement of policies
- The FSP must warn the customer on the possible implications and disadvantages of switching policy from one type of IL policy to another or from one FSP to another FSP.
- f. Claims
- The FSP must explain to the customer the claim procedures and the customer's responsibilities in relation to making a claim against the policy.
- g. Other important notices
- Other important notices to the customer include:
 - the availability of a surrender value with the caution that the customer will only receive an amount which is much less than the premiums paid if the policy is surrendered;

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- in the case of premium holidays, the customer must be advised on the consequences of taking a premium holiday, including the possibility of the policy lapsing when the required charges, including rider charges exceed the value of IL fund units available;
- the provisions for nomination and assignment, including the importance of making a nomination and its implications. The customer must be advised to nominate a nominee and ensure that the nominee is aware of the policy that the customer has purchased;
- where the fund is a guaranteed or capital-guaranteed fund and the guarantee is only valid at a certain point in time, it must be disclosed that the guarantee is not valid on premature withdrawal;
- the availability of options to vary the level of death benefits and premiums, and switch IL fund; and
- the availability of top-up facility on the customer's existing IL policy at any time to enhance the investment portion of both single and regular premium policies, with or without any change in the insurance coverage.

h. Change of contact details

- The customer should be informed of the importance of notifying the FSP of any change in contact details, including the address of the customer, the nominee and/or trustee.

2.3 During the term of the contract

a. Cessation of business with insurance agents

- In the event the insurance agent ceases to operate or ceases to continue to arrange its IL product, the FSP is encouraged to inform the affected customer (either by written notice or via electronic means) of the following:
 - that the insurance agent has ceased to operate or has ceased to continue to arrange its IL product;
 - the new point of contact for policy servicing; and
 - how future premiums can be transmitted to the FSP, if applicable.

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3. General Insurance Products (other than Medical and Health Insurance)

3.1 Pre-contractual stage

a. Disclosure by FSP

- The FSP must inform the customer that it is licensed under the IA and regulated by Bank Negara Malaysia.
- Where insurance is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the policy must be disclosed to the customer.

b. Principles of insurance

- To enhance understanding of the nature of insurance products, the FSP should explain to the customer the main principles of insurance which are applicable to the insurance product that the customer intends to purchase from the FSP:
 - insurable interest - an insured must have insurable interest, i.e. right, title or interest in a property / item / life such that a loss or damage to the property / item / life would result in a financial loss to the insured;
 - utmost good faith - an insured has a duty to disclose to the FSP all material facts regarding the subject matter of insurance and the circumstances pertaining to it;
 - contract of indemnity³ - financial compensation to restore, as best as possible, the insured to the same position the insured had enjoyed immediately before the loss; and
 - contribution - the FSP is liable only for the FSP's 'rateable proportion' of the loss in the event an insured has more than one policy to cover a particular property.

c. Product features

The FSP must explain the main features of the product to the customer, including:

- types of cover offered and the scope of each cover;

For example:

³ Not applicable to most personal accident policies.

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- **Motor insurance:** available covers are third party; comprehensive; and third party, fire and theft. Third party cover insures the customer against claims for bodily injuries or deaths caused to other persons and loss or damage to third party property caused by the customer's vehicle.
- **Houseowner / householder insurance:** available covers are basic fire policy; houseowner policy; and householder policy. The basic fire policy provides the customer with coverage for the building only and covers loss or damage by fire, lightning or explosion.
- **Personal accident (PA) insurance:** available covers are accidental death, permanent total or partial disablement, temporary total or partial disablement, medical expenses, hospitalisation benefits and funeral expenses. The customer should be advised to refer to the scale of benefits for death and disablement in the insurance policy.
- exclusions which can be covered with payment of additional premiums;
For example:
 - **Motor insurance:** the comprehensive motor policy can be extended to cover flood, landslide and windscreen damage and/or extensions to cover passengers.
 - **Houseowner / householder insurance:** the houseowner insurance policy can be extended to cover subsidence, landslip, riot, strike and malicious damage.
 - **PA insurance:** the policy can be extended to cover death or injury while operating or riding a motorcycle.
- the importance of ensuring that the property is insured at the market value and the effect of over-insurance and under-insurance, particularly during the duration of the policy (not applicable for PA insurance); and
For example:

Motor insurance: The customer must be advised on the present market value of the vehicle, based on reference to a credible vehicle valuation database. The present market value must be indicated in the renewal notice or product disclosure sheet. The customer should be advised to insure the vehicle at the market value of the vehicle and betterment charges which may be

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applicable in motor insurance claim. Where it is provided in the motor insurance policy that a particular valuation database will serve as the reference point to determine the market value of a vehicle, the customer must be informed of the valuation database in providing the market value of the vehicle during purchase of insurance as well as in the event of a claim.

- **Houseowner / householder insurance:** *the customer should be advised to ensure the property is adequately insured taking into account the renovations made to the property. The sum insured should cover the cost of rebuilding the property in the event of loss / damage. The basis of compensation for householder policy, i.e. whether it is on reinstatement or replacement value should be explained to the customer.*
- restrictions and exclusions of the policy to ensure the customer understands what are not covered under the policy.

For example:

- **Motor insurance:** *the standard comprehensive motor policy does not cover certain losses such as death of, or bodily injury to, the driver and passengers due to a motor accident and damage to vehicle arising from an act of nature such as flood and landslide. In addition, a warning that it is an offence under the laws of the Republic of Singapore to enter the country without extending passenger liability cover should also be informed to the customer.*
- **Houseowner / householder insurance:** *householder policy does not cover theft claims if there is no evidence of forced and violent entry/exit.*
- **PA insurance:** *PA insurance does not cover death, disability or injury due to war, terrorism, suicide and insanity, AIDS, dangerous sports, riding on a motorcycle and while taking part in military, naval, air force, police or fire service duties. In addition, the range of age limits that can be insured under the PA policies should be informed to the customer.*

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d. Costs

The FSP must provide the customer the full details of the costs charged, including:

- the insurance premium breakdown for each cover being purchased by the customer. The FSP should qualify that the total premium payable may vary depending on the underwriting requirements of the FSP, where applicable;

For example:

- ***Motor insurance:*** *premium payable will depend on no-claim-discount entitlement of the customer and the underwriting requirements of the FSP such as age of vehicle and claims experience.*
- other fees and charges which are not included in the insurance premiums, and the purpose of each fee or charge (including any possible future fees or charges, such as for changing or cancelling the policy, handling claims or any other services);
- commissions borne by the customer, expressed both in terms of aggregate amount and as a percentage of insurance premiums payable; and
- the timing of the premium payment and the methods of payment available.
 - ***Motor insurance:*** *cash-before-cover requirements. The customer should be advised to pay the premiums directly to the FSP, either by cash, credit card or cheques (cheques should be made payable only in the name of the FSP).*
 - ***Houseowner / householder insurance:*** *premium warranty requirements.*

3.2 At the point of entering into a contract

a. Contractual rights and obligations

The customer should be informed of the following:

- any significant condition, warranty or obligation which the customer must meet, failing which the FSP may repudiate liability or cancel the cover;

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- duty of the customer to disclose all information material to the insurance and the consequences of failure to disclose / wrongful disclosure by the customer;

For example:

- **Motor insurance:** *previous accident and modification to engines.*
- **PA insurance:** *the occupation and personal pursuits of the customer which would affect the risk profile of the customer and the number of PA policies that the customer had purchased from other FSP.*

- the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the insurance contract;

For example:

- **PA insurance:** *the customer must also be advised to nominate a nominee and ensure that the nominee is aware of the PA policy that the customer has purchased.*

- the period of coverage;
- the importance of receiving and keeping the receipt from the FSP as proof of payment of premiums by the customer; and
- time frame required by the FSP to issue a policy.

b. Claims

- The FSP must explain to the customer the claims procedures and the customer's responsibilities in relation to making a claim against the policy;

For example:

- **Motor insurance:** *the steps to be taken by the customer when involved in an accident which includes informing the customer on the requirement to obtain details of the accident such as the vehicles involved, lodging a police report within 24 hours of the incident, notifying the FSP immediately and submitting the claims form with complete supporting documents. As best practice, the FSP may wish to advise the customer to deal only with PIAM Approved Repairers Scheme (PARS) Workshop. The FSP may also wish to advise comprehensive cover policy owners to submit a third party claim to their own insurer under Own Damage Knock-For-Knock*

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arrangement. The customer should also be informed of the excess that the customer should bear for vehicle damage claims. The FSP should also explain to the customer on claims for the compensation for assessed repair time (CART).

- **Houseowner / householder insurance:** *the amount of compensation would depend on the basis of cover (i.e. replacement basis or reinstatement basis). The customer should be advised to specifically declare each item to be insured and keep the purchase receipts of household items to substantiate a claim under the householder policy.*
- **PA insurance:** *if the customer has purchased multiple PA policies, for certain losses such as medical expenses, which are compensated on reimbursement basis and therefore, the customer will be compensated only once for the actual loss suffered.*
- possible implications of the claim on the customer's policy in future renewal.

For example:

- **Motor insurance:** *imposition of excess or loading and loss of no-claim-discount.*

c. Notice of cancellation

The FSP must inform the customer that:

- the policy can be cancelled by the customer at any time by giving a written notice to the FSP; and
- upon cancellation, the customer is entitled to a refund of the premium.

For example:

- **Motor insurance:** *Refund of the premium is based on short-period rates.*
- **Houseowner / householder insurance and PA insurance:** *Refund of the premium is based on short period rates.*

d. Change of contact / personal details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.

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- Specifically, for PA policy, the customer must be advised to inform the FSP of any change in the customer's life profile including the occupation and personal pursuits which would affect the risk profile of the customer.
- e. Other information
- The FSP must provide the customer with a copy of the relevant '*insuranceinfo* fact sheet' together with the policy, either in Bahasa Malaysia or English depending on the preference of the customer, for every new policy issued to the customer. The '*insuranceinfo* fact sheet' contains salient features and principles relating to insurance to facilitate customer's understanding of the product.
 - For motor insurance, in view of the high number of complaints received on motor insurance, the FSP is also required to provide a copy of the '*insuranceinfo* fact sheet' on motor insurance to the customer upon subsequent renewal of motor policy.

3.3 During the term of the contract

- To ensure that the customer is given sufficient notice to obtain insurance cover, the FSP should issue a notice of the expiry of the existing policy to the customer, at least 30 calendar days before the expiry date.

For motor insurance, where the market value of the vehicle is provided in the notice of expiry, the market value must be current *based on reference to a credible vehicle valuation database*. However, if the market value of the motor vehicle is not available in the vehicle valuation database, of the FSP may provide the previous year's sum insured of the vehicle in the notice of expiry, and clarify that the sum insured indicated is based on the previous year's sum insured, and that the current market value of the vehicle may have further depreciated. The customer should also be informed on the applicable rebate if the customer chooses to renew directly with the insurance company. In addition, the FSP should also issue the no-claim-discount entitlement to the customer together with the notice of the expiry as well as a warning statement that it is an offence

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under the laws of the Republic of Singapore to enter the country without extending passenger liability cover.

4. Medical and Health Insurance (MHI)

The disclosure requirements are applicable to all types of individual MHI policies, including MHI riders attached to individual life policies, and group MHI policies issued under section 186 of the IA where the group policy owners have no insurable interest in the life of persons insured under the policies. The disclosure requirements stipulated in the Guidelines must be made to all individuals covered under such group policies. For other group MHI policies where the group policy owners have insurable interest, the FSP should ensure that the disclosures are made to the master policy owners.

4.1 Pre-contractual stage

- a. Disclosure by FSP
 - The FSP must inform the customer that it is licensed under the IA and regulated by Bank Negara Malaysia.
 - Where insurance is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the policy must be disclosed to the customer.
- b. Advising and selling
 - The FSP should inform the customer of the importance of providing sufficient and accurate information to enable the FSP to advise the customer on the suitability of the MHI product, taking into consideration the appropriateness of the product to the customer's needs and circumstances.
- c. Product features
 - The FSP should provide the customer with sufficient details of the essential features of a MHI product, including:

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- types of MHI products offered, such as hospitalisation and surgical insurance (HSI), critical illness insurance, disability income insurance and hospital income insurance, and the scope of cover for each type of product;
 - details of the benefits covered under the MHI policy such as what is and what is not covered. For example, HSI covers hospital accommodation and nursing expenses, surgical expenses, physicians' expenses and in-patient tests but it does not cover maternity, congenital abnormalities and cosmetic or plastic surgery;
 - the amount of benefits payable under the policy, when benefits will be payable, and the manner it will be paid such as:
 - reimbursement of medical expenses incurred by the customer; and
 - a lump sum payment of sum insured or payment of an income stream at regular intervals for the period that the customer is incapacitated or hospitalised.
 - details of the events, circumstances or contingencies upon which benefits are payable.
- d. Exclusions and limitations of benefits
- Information regarding benefit exclusions and limitations, pre-existing conditions, specified illnesses and qualifying / waiting period as defined in the MHI Underwriting Guide must be adequately disclosed and clearly explained to the customer.
 - The FSP should also inform the customer whether any particular cover ceases at a pre-determined age or policy anniversary.
- e. Premium payments
- The FSP must provide to the customer the full details of the premium payments, including:
 - the amount of premiums, the frequency of payment and the period over which the premiums are payable. The FSP should qualify that

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the total premium payable may vary, depending on the underwriting requirements of the FSP, where applicable;

- the premium rates table showing the premiums of the product for all ages at entry;
- the possible conditions that would lead to the following scenarios on policy renewals:
 - ♦ policy is renewed with a level premium;
 - ♦ policy is renewed with an increased premium; or
 - ♦ policy is not renewed.

A statement should also be made to alert the customer that the possible conditions disclosed are not exhaustive and that premium rates may be reviewed or policy renewal declined under other justified circumstances;

- whether the premiums are level or may vary on renewal. Where premiums has varied before, statistics on the annual increases in the standard premiums for the product over the last three years for selected sample ages at entry of 30, 40, 50 and 60 should be disclosed. There should also be a statement to alert the customer that the past trends on the increase in premium rates do not necessarily reflect the future trend;
- the FSP's right to revise the premiums on policy renewals; and
- co-payments borne by a customer under cost-sharing or co-insurance terms, if applicable, should be made clear to the customer.

f. Disclosure of commissions and charges

- The FSP must provide the customer the full details of the costs charged, including:
 - commissions borne by the customer, expressed both in terms of the aggregate amount and as a percentage of premiums payable for each policy year, for stand-alone policies and group policies. For MHI riders, commission payable to be expressed in aggregate amount in each policy year; and

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- other fees and charges which are not included in the premiums and the purpose of each fee or charge.

4.2 At the point of entering into a contract

a. Contractual rights and obligations

- The customer should be informed of the following:
 - any significant condition or obligation which the customer must meet, failing which the FSP may repudiate liability or cancel the MHI policy;
 - duty of the customer to disclose all information material to the insurance and the consequences of failure to disclose / wrongful disclosure by the customer such as the customer's age and any medical condition;
 - the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the insurance contract;
 - the period of coverage;
 - the importance of receiving and keeping the receipt from the FSP as proof of payment of premiums by the customer; and
 - time frame required by the FSP to issue a policy.

b. Free-look period

- The FSP should inform the customer clearly about the free-look period / cooling-off period of 15 calendar days from the delivery date of the policy to review the suitability of the newly-purchased policy. It should be highlighted that the customer has the right to return the policy within 15 calendar days of the delivery of the policy, after reviewing the terms and conditions of the policy. Any expenses incurred by the FSP for the customer's medical examination could be deducted from the premiums.

c. Replacement of policies

- The FSP shall inform the customer on the possible implications and disadvantages of switching policy from one type of MHI policy to another or from one FSP to another FSP. For example, the customer may be subject to new terms and conditions of the new policy or of the new FSP.

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d. Claims

- The FSP must explain to the customer the claims procedures and the customer's responsibilities in relation to making a claim against the policy.
- The FSP should provide the list of panel hospitals / clinics where the customer can seek treatment, if applicable.

e. Notice of cancellation

- The FSP must inform the customer that:
 - the MHI policy can be cancelled by the customer at any time by giving a written notice to the FSP; and
 - for certain types of MHI policies, the customer is entitled to a certain amount of premium refund provided the customer has not made a claim on the policy.

f. Change of contact details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.

4.3 During the term of the contract

a. Termination of coverage

- To ensure that the customer is given sufficient notice, the FSP should issue a notice of the expiry of the existing policy to the customer, at least 30 calendar days before the expiry date. For example, a notice should be issued by the FSP to inform the customer that the MHI policy / rider will automatically terminate if the policy anniversary nearest to the 70th birthday of the insured is reached.

b. Change to benefits and premiums

- The FSP should notify the customer in writing of all changes to critical benefits and premiums of a particular MHI policy and preferably, the reasons for the change, at least 30 calendar days before any change is made. This is to ensure that the customer is aware of the change made and are given adequate time to reassess the insurance needs and to look

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for alternative products, if necessary. Changes to benefits and premiums of MHI policies can be made on policy anniversary or upon renewal only.

- c. Change to panel hospitals / clinics
 - The FSP must ensure that the customer is informed of any change in its panel hospitals / clinics at least 30 calendar days prior to the effective date of the change.

- d. Cessation of business with insurance agents
 - In the event the insurance agent ceases to operate or ceases to continue to arrange its MHI policies, the FSP is encouraged to inform the affected customer (either by written notice or via electronic means) of the following:
 - that the insurance agent has ceased to operate or has ceased to continue to arrange his MHI policies;
 - the new point of contact for policy servicing; and
 - how future premiums can be transmitted to the FSP, if applicable.

4.4 Disclosure requirements for marketing materials

All possible exclusions or limitations in a MHI policy should, as far as practicable, be disclosed in marketing and sales materials. Disclosures should at least cover the following areas:

- a. a statement to alert the customer the fact that there are exclusions and limitations in benefits, and how and where additional information on the exclusions and limitations could be obtained;

- b. highlighting important exclusions and limitations of benefits and circumstances in which the exclusions and limitations apply;

- c. highlighting important pre-existing conditions, specified illnesses and the qualifying period applicable;

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- d. highlighting the waiting period, deductibles, reimbursements, co-insurance, residence overseas, overseas treatment and the circumstances in which the limitations and exclusions apply; and
- e. a statement to alert the customer that the exclusions and limitations of benefits highlighted are not exhaustive and that the full information is in the insurance contract.

The FSP may use simple examples to illustrate the above disclosures.

Appendix I Requirement for Product Disclosure Sheet

Type of Product	Requirement for Product Disclosure Sheet ¹	
	Yes	No
Ordinary Life Insurance	✓	
Investment-Linked Insurance	✓	
Motor Insurance	✓	
Houseowner / Householder Insurance	✓	
Personal Accident Insurance	✓	
Medical and Health Insurance	✓ ²	
Other Products	✓	

Note:

1. Product disclosure sheet should be given to the customer when purchasing a new policy as well as when the customer renews the insurance policy, if there is a material change in the information.
2. With the issuance of the product disclosure sheet for medical and health insurance, insurers are no longer required to issue the information sheet under Guidelines on Medical and Health Insurance Business (Revised).

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Appendix II Product Disclosure Sheet Samples

A. Ordinary Life Insurance

<p>PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>XYZ term life insurance plan</i></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This policy offers insurance protection for [10] years. It pays a lump sum death benefit if you die or suffer total and permanent disability during the term of the policy.</p>	
<p>2. What are the covers / benefits provided?</p>	
<p>This policy covers:</p> <ul style="list-style-type: none"> • Death - RMxx; and • Total and permanent disability - RMxx. <p>[To indicate any other additional cover provided such as rider, etc.]</p> <p>Duration: Premature death or term of the contract: [10] years</p>	
<p>3. How much premium do I have to pay?</p>	
<p>The total premium that you have to pay and the policy terms may vary depending on the underwriting requirements of the insurance company:</p> <ul style="list-style-type: none"> • The estimated total premium that you have to pay: RMxx annually/semi-annually/quarterly/monthly • Premium duration: until age [xx] 	
<p>4. What are the fees and charges that I have to pay?</p>	
Type	Amount
<ul style="list-style-type: none"> • Stamp duty <p>[to indicate other charges if applicable]</p>	<ul style="list-style-type: none"> • RMxx
<p>5. What are some of the key terms and conditions that I should be aware of?</p>	
<ul style="list-style-type: none"> • Importance of disclosure - you must disclose all material facts such as medical condition, and state your age correctly. • Free-look period - you may cancel your policy by returning the policy within 15 days after you the policy has been delivered to you. The premiums that you have paid (less any medical fee incurred) will be refunded to you. <p>(To highlight other key terms and conditions.)</p> <p><i>Note:</i> This list is non-exhaustive. Please refer to the policy contract for the terms and conditions under this policy.</p>	

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6. What are the major exclusions under this policy?

- Suicide - if death was due to suicide within [one] year, your nominee will not receive any money.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the policy contract for the full list of exclusions under this policy.

7. Can I cancel my policy?

Buying a life policy is a long-term financial commitment. If you do not pay your premiums within the grace period, your policy may lapse unless your policy has acquired cash value. The cash amount that the insurance company will pay you when you cancel the policy before the maturity period will be much less than the total amount of premium that you have paid.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about life insurance, please refer to the *insuranceinfo* booklet on 'Life Insurance', available at all our branches or you can obtain a copy from the insurance agent or visit www.insuranceinfo.com.my.

If you have any enquiries, please contact us at:

ABC Insurer Berhad

Address:

Tel:

Fax:

E-mail:

10. Other similar types of cover available

Please ask your insurer / intermediary for other similar types of plans offered by the insurer.

IMPORTANT NOTE:

BUYING LIFE INSURANCE POLICY IS A LONG-TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF POLICY THAT BEST SUITS YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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B. Investment-Linked Insurance

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)		<Name of Financial Service Provider> <Name of Product> <Date>
1. What is this product about?		
<p>This investment-linked policy (ILP) offers a combination of insurance protection and investment. It pays a lump sum death benefit (i.e. the sum assured) if you die / are totally and permanently disabled during the term of the policy and the value of the investment units, at the time of claim.</p> <p>The value of the ILP depends on the price of the underlying units, which in turn depends on the performance of your chosen fund.</p>		
2. What are the covers / benefits provided?		
This policy covers: <ul style="list-style-type: none"> • Death - RMxx (i.e. basic sum assured) plus the total investment value; and • Total and permanent disability - RMxx. (To indicate any other additional cover provided such as rider, etc.)	Funds chosen: <ul style="list-style-type: none"> • Fund I - xx % • Fund II - xx % 	
Reminder: Please read the sales literature which includes product benefits and objectives of the investment-linked fund. It is important to select a plan or a combination of funds that suit your financial goals and risk profile.		
3. How much premium do I have to pay?		
<p>The total premium that you have to pay and the policy terms may vary depending on the underwriting requirements of the insurance company:</p> <ul style="list-style-type: none"> • The estimated total premium that you have to pay: RMxx annually/semi-annually/quarterly/monthly <p>Insurance company allocates a portion of the premium to purchase units in the investment-linked fund that you have chosen. Any unallocated amount will be used to pay commissions to agents and other expenses of the insurance company. You are advised to refer to the allocation rates given in the sales illustration.</p>		
4. What are the fees and charges I have to pay?		
<ul style="list-style-type: none"> • The insurance coverage charges are deducted monthly from the value of your units. The insurance charges will increase as you grow older. Details of insurance charges and other charges for the ILP are given in the sales illustration. 		

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5. What are some of the key terms and conditions that I should be aware of?

- Importance of disclosure - you must disclose all material facts such as medical condition, and state your age correctly.
- Free-look period - you may cancel your ILP by returning the policy within 15 days after the policy has been delivered to you. The insurance company will refund to you the unallocated premiums, the value of units that have been allocated (if any) at unit price at the next valuation date and any insurance charge and policy fee that have been deducted less any medical fee incurred.
- Cash value - the cash value of the ILP depends on the performance of the investment-linked funds selected. The higher the level of insurance coverage selected, the more units will be absorbed to pay for the insurance charges and the fewer units will remain to accumulate cash values under your policy.
- Policy lapse
The ILP will lapse when the value of investment units is insufficient to pay for the insurance and other charges.

(To highlight other key terms and conditions.)

Note:

This list is non-exhaustive. Please refer to the policy contract for the terms and conditions under this policy.

6. What are the major exclusions under this policy?

- Suicide - if death was due to suicide within [one] year, your nominee will not receive any money.

[To highlight other major exclusions.]

Note:

This list is non-exhaustive. Please refer to the policy contract for the full list of exclusions under this policy.

7. Can I cancel my policy?

Buying a regular premium ILP is a long-term financial commitment. It is not advisable to hold this policy for a short period of time in view of the high initial costs. If you find that the fund that you have chosen is no longer appropriate, you have the flexibility to switch fund. You are allowed one switch per year without any fee. For additional switches, you may be charged a processing fee.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about investment-linked insurance, please refer to the *insuranceinfo* booklet on 'Investment-linked Insurance', available at all our branches or you can obtain a copy from the insurance agent or visit www.insuranceinfo.com.my.

If you have any enquiries, please contact us at:

ABC Insurer Berhad

Address:

Tel:

Fax:

E-mail:

10. Other similar types of plan available

Please ask your insurer / intermediary for other similar types of plans offered by the insurer.

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IMPORTANT NOTE:

THIS IS AN INSURANCE PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS. YOU MUST EVALUATE YOUR OPTIONS CAREFULLY AND SATISFY YOURSELF THAT THE INVESTMENT-LINKED PLAN CHOSEN MEET YOUR RISK APPETITE, AND THAT YOU CAN AFFORD THE PREMIUM THROUGHOUT THE POLICY DURATION. TO INCREASE INVESTMENT VALUE AT ANY TIME, IT IS ADVISABLE THAT YOU PAY THE ADDITIONAL PREMIUMS AS 'TOP UPS'. RETURN ON AN INVESTMENT-LINKED FUND IS NOT GUARANTEED.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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C. Motor Insurance

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>Comprehensive Motor Insurance Policy</i></p> <p><Date></p>				
<p>1. What is this product about?</p> <p>This policy provides insurance against liabilities to other parties for injury or death, damage to other parties' property, and accidental or fire damage to your vehicle or theft of your vehicle.</p>					
<p>2. What are the covers / benefits provided?</p> <p>This policy covers:</p> <ul style="list-style-type: none"> • Third party bodily injury and death; • Third party property loss or damage; and • Loss or damage to your own vehicle due to accidental fire, theft or accident. <p>Optional benefits that you may wish to purchase by paying additional premium:</p> <ul style="list-style-type: none"> • Windscreen damage • Passenger liability cover • Damage arising from flood and landslide <p>(To indicate any other additional cover provided.)</p> <p>NOTE: It is an offence under the laws of the Republic of Singapore to enter the country without extending passenger liability cover to your motor insurance.</p> <p>Duration of cover is for one year. You need to renew the insurance cover annually.</p>					
<p>3. How much premium do I have to pay?</p> <p>The total premium that you have to pay may vary depending on the no-claim-discount (NCD) entitlement and the underwriting requirements of the insurance company:</p> <ul style="list-style-type: none"> • Standard cover: RMxx premiums for sums insured of RMxx * • NCD entitlement: xx % • Additional cover: RMxx <p>The estimated total premium that you have to pay is: RMxx</p> <p>* This sum insured is based on the current market value of the vehicle based on reference to ABC vehicle valuation database¹ system</p>					
<p>4. What are the fees and charges that I have to pay?</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Type</th> <th style="width: 50%;">Amount</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(to indicate other charges if applicable)</p> </td> <td> <ul style="list-style-type: none"> • 10% of premiums or RMxx • RMxx </td> </tr> </tbody> </table>		Type	Amount	<ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(to indicate other charges if applicable)</p>	<ul style="list-style-type: none"> • 10% of premiums or RMxx • RMxx
Type	Amount				
<ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(to indicate other charges if applicable)</p>	<ul style="list-style-type: none"> • 10% of premiums or RMxx • RMxx 				

¹ Insurer to indicate the vehicle valuation database which the insurer had referred to determine the present market value of the vehicle

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5. What are some of the key terms and conditions that I should be aware of?

- Importance of disclosure - you must disclose all material facts such as previous accidents and modification to engines.
- You must ensure that your vehicle is insured at the appropriate amount.
- The excess, that is the amount of loss you have to bear if your vehicle is driven by a person not named in your policy: RMxx.

(To highlight other key terms and conditions.)

6. What are the major exclusions under this policy?

This policy does not cover certain losses, such as:

- Your own death or bodily injury due to a motor accident;
- Your liability against claims from passengers in your vehicle; and
- Loss, damage or liability arising from an act of nature i.e. flood, storm or landslide.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the sample policy contract for the full list of exclusions under this policy.

7. Can I cancel my policy?

You may cancel your policy at any time by giving written notice to the insurance company. Upon cancellation, you are entitled to a partial refund of the premium provided you have not made a claim.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about motor insurance, please refer to the *insuranceinfo* booklet on 'Motor Insurance', available at all our branches or you can obtain a copy from the insurance agent or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

ABC Insurer Berhad

Address:

Tel:

Fax:

E-mail:

10. Other types of motor insurance cover available

- abc
- xyz

IMPORTANT NOTE:

YOU MUST ENSURE THAT YOUR VEHICLE IS INSURED AT THE APPROPRIATE AMOUNT AS IT WILL AFFECT THE AMOUNT YOU CAN CLAIM. IN THE EVENT OF AN ACCIDENT, YOU ARE ADVISED TO DEAL WITH APPROVED WORKSHOPS. IF YOU HAVE A COMPREHENSIVE COVER AND YOU ARE NOT AT FAULT, YOU ARE

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ADVISED TO SUBMIT YOUR CLAIM TO YOUR INSURANCE COMPANY. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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D. Houseowner / Householder Insurance

<p>PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>Houseowner Policy</i></p> <p><Date></p>				
<p>1. What is this product about?</p> <p>This policy provides you with coverage for your building only and covers loss or damage by fire, lightning, explosions, flood, burst pipe or by any perils mentioned in the insurance policy.</p>					
<p>2. What are the covers / benefits provided?</p> <p>This policy covers:</p> <ul style="list-style-type: none"> • Loss or damage to your building due to fire, lightning and explosion caused by gas used for domestic purposes; • Loss or damage to your building by aircraft, road vehicles or animals, bursting or overflowing of water tanks or pipes, theft, windstorm, earthquake and flood; and • Loss of rent. <p>You may extend coverage to the following risks by paying additional premium:</p> <ul style="list-style-type: none"> • Subsidence, landslip, riot, strike and malicious damage; and • Liability to third parties for accidents in your house. <p>(To indicate any other additional cover provided.)</p> <p>Duration of cover is for one year. You need to renew your insurance policy annually.</p>					
<p>3. How much premium do I have to pay?</p> <p>The total premium that you have to pay may vary depending on the underwriting requirements of the insurance company:</p> <ul style="list-style-type: none"> • Standard cover: <u>RMxx</u> premiums for sums insured of <u>RMxx</u> • Additional cover: <u>RMxx</u> <p>The estimated total premium that you have to pay is: <u>RMxx</u></p>					
<p>4. What are the fees and charges that I have to pay?</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Type</th><th style="width: 50%;">Amount</th></tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(To indicate other charges if applicable.)</p> </td><td> <ul style="list-style-type: none"> • 15% of premiums or RMxx • RMxx </td></tr> </tbody> </table>		Type	Amount	<ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(To indicate other charges if applicable.)</p>	<ul style="list-style-type: none"> • 15% of premiums or RMxx • RMxx
Type	Amount				
<ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(To indicate other charges if applicable.)</p>	<ul style="list-style-type: none"> • 15% of premiums or RMxx • RMxx 				
<p>5. What are some of the key terms and conditions that I should be aware of?</p> <ul style="list-style-type: none"> • Importance of disclosure - you must give all the facts in your application form fully and faithfully. • You must ensure that your property is insured at the appropriate amount taking into account the renovations made to your property. <p>(To highlight other key terms and conditions, including the basis of compensation for loss / damage to the property.)</p>					

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6. What are the major exclusions under this policy?

This policy does not cover certain losses, such as:

- Loss / damage to household contents;
- Loss / damage due to subsidence, landslip, riot, strike and malicious damage; and
- Coverage for fatal injury to the insured.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the sample policy contract for the full list of exclusions under this policy.

7. Can I cancel my policy?

You may cancel your policy by giving written notice to the insurance company. Upon cancellation, you are entitled to a partial refund of the premium provided you have not made a claim.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about houseowner / householder insurance, please refer to the *insuranceinfo* booklet on 'Houseowner / householder Insurance', available at all our branches or you can obtain a copy from the insurance agent or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

ABC Insurer Berhad
Address:
Tel:
Fax:
E-mail:

10. Other types of houseowner / householder insurance cover available

- abc
- xyz

IMPORTANT NOTE:

YOU MUST ENSURE THAT YOUR PROPERTY IS INSURED AT THE APPROPRIATE AMOUNT. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

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E. Personal Accident Insurance

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>Personal Accident Insurance Policy</i></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This policy provides compensation in the event of injuries, disability or death caused solely by violent, accidental, external and visible events.</p>	
<p>2. What are the covers / benefits provided?</p>	
<p>This policy covers:</p> <ul style="list-style-type: none"> • Accidental death - RMxx; • Permanent disablement; • Temporary total or partial disablement. <p>(To indicate any other additional cover provided.)</p> <p><i>Note:</i> Please refer to the scale of benefits for death and disablement in the sample policy contract.</p> <p>Duration of cover is for one year. You need to renew your insurance cover annually.</p>	
<p>3. How much premium do I have to pay?</p>	
<p>The total premium that you have to pay may vary depending on the underwriting requirements of the insurance company:</p> <ul style="list-style-type: none"> • Standard cover: <u>RMxx</u> • Additional cover: <u>RMxx</u> <p>The total premium that you have to pay is: <u>RMxx</u></p>	
<p>4. What are the fees and charges that I have to pay?</p>	
<p>Type</p> <ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(To indicate other charges if applicable.)</p>	<p>Amount</p> <ul style="list-style-type: none"> • 25% of premiums or RMxx • RMxx
<p>5. What are some of the key terms and conditions that I should be aware of?</p>	
<p>Importance of disclosure - you must disclose all material facts such as your occupation and your personal pursuits which would affect the risk profile and number of personal accident policies that you have purchased from other insurance companies.</p> <p>(To highlight other key terms and conditions, e.g. claims procedures, etc.)</p>	

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6. What are the major exclusions under this policy?

This policy does not cover death or injury caused by the following events:

- War risks;
- Suicide and insanity;
- Self inflicted injury;
- AIDS;
- Provoked murder or assault;
- Engaging in military, naval, air force, police or fire service duties; and
- Hazardous sports.

(To highlight other major exclusions including exclusion of certain occupations.)

Note:

This list is non-exhaustive. Please refer to the sample policy contract for the full list of exclusions under this policy.

7. Can I cancel my policy?

You may cancel your policy by giving written notice to the insurance company. Upon cancellation, you are entitled to a partial refund of the premium.

8. What do I need to do if there are changes to my contact / personal details?

It is important that you inform us of any change in your life profile including your occupation and personal pursuits which would affect the risk profile.

9. Where can I get further information?

Should you require additional information about personal accident insurance, please refer to the *insuranceinfo* booklet on 'Personal Accident Insurance', available at all our branches or you can obtain a copy from the insurance agent or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

ABC Insurer Berhad

Address:

Tel:

Fax:

E-mail:

10. Other types of Personal Accident cover available

Please ask your insurer / intermediary for other similar types of plans offered by the insurer.

IMPORTANT NOTE:

YOU ARE ADVISED TO NOTE THE SCALE OF BENEFITS FOR DEATH AND DISABLEMENT IN YOUR INSURANCE POLICY. YOU MUST NOMINATE A NOMINEE AND ENSURE THAT YOUR NOMINEE IS AWARE OF THE PERSONAL ACCIDENT POLICY THAT YOU HAVE PURCHASED. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

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F. Medical and Health Insurance

<p>PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>Hospitalisation and Surgical Insurance</i></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This policy provides for hospitalisation and surgical expenses incurred due to illnesses covered under the policy.</p>	
<p>2. What are the covers / benefits provided?</p>	
<p>This policy covers:</p> <ul style="list-style-type: none"> • Hospital room and board: RM xx per day; • Surgical expenses: RM xx; and • Reimbursement of medical expenses up to: <ul style="list-style-type: none"> ➢ Annual limit on benefits payable - RM xx ➢ Aggregate lifetime limit on benefits payable - RM xx <p>You may extend the policy to provide the following benefits by paying additional premium:</p> <ul style="list-style-type: none"> • Outpatient treatment; • Ambulance services; and • Accidental death benefits. <p>(To indicate any other additional cover provided.)</p> <p>Duration of cover is for one year. You need to renew your cover annually.</p>	
<p>3. How much premium do I have to pay?</p>	
<p>The total premium that you have to pay may vary depending on the underwriting requirements of the insurance company:</p> <ul style="list-style-type: none"> • Standard cover: RMxx • Additional cover: RMxx <p>The estimated total premium that you have to pay is: RMxx</p> <p>(To indicate whether premium rates are guaranteed and if not, the factors likely to result in premium adjustments on renewal.)</p>	
<p>4. What are the fees and charges that I have to pay?</p>	
Type	Amount
<ul style="list-style-type: none"> • Commissions paid to the insurance agent • Stamp duty <p>(To indicate other charges if applicable.)</p>	<ul style="list-style-type: none"> • 15% of premiums or RMxx • RMxx
<p>5. What are some of the key terms and conditions that I should be aware of?</p>	
<ul style="list-style-type: none"> • Importance of disclosure - you must disclose all material facts such as medical condition, and state your age correctly. • Free-look period - you may cancel your policy by returning the policy within 15 days after the policy has been delivered to you. The premiums that you have paid (less any medical fee incurred) will be refunded to you. • Qualifying / waiting period - the eligibility for benefits under the policy will only start [30] days after the effective 	

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date of the policy.

- Unless renewed, the coverage will cease on expiry date and the insurance company shall strictly not be liable for any expenses that take place after the expiry date.
- Co-insurance - you will have to pay [x %] of the total costs incurred.

(To highlight other key terms and conditions, e.g. claims procedures, etc.)

6. What are the major exclusions under this policy?

This policy does not cover:

- Pre-existing conditions and specified illness;
- Maternity;
- Congenital abnormalities;
- Accidental injuries or illnesses arising from racing;
- Cosmetic or plastic surgery; and
- Dental work or treatment including oral surgery.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the policy contract for the full list of exclusions under this policy.

7. Can I cancel my policy?

You may cancel your policy by giving a written notice to the insurance company. Upon cancellation, you are entitled to a partial refund of the premium provided that you have not made a claim on the policy.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about medical and health insurance, please refer to the *insuranceinfo* booklet on 'Medical & Health Insurance', available at all our branches or you can obtain a copy from the insurance agent or visit www.insuranceinfo.com.my.

If you have any enquiries, please contact us at:

ABC Insurer Berhad

Address:

Tel:

Fax:

E-mail:

10. Other types of Medical and Health Insurance cover available

Please ask your insurer / intermediary for other similar types of plans offered by the insurer.

IMPORTANT NOTE:

YOU SHOULD SATISFY YOURSELF THAT THIS POLICY WILL BEST SERVE YOUR NEEDS. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

SCHEDULE IV

TAKAFUL PRODUCTS

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SCHEDULE IV : TAKAFUL PRODUCTS

1. Ordinary Family Takaful Products

1.1 Pre-contractual stage

a. Disclosure by FSP

- The FSP must inform the customer that it is registered under the TA and regulated by Bank Negara Malaysia.
- Where takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the certificate must be disclosed to the customer.

b. Advising and marketing

- The FSP should inform the customer of the importance of providing sufficient and accurate information to enable the FSP to advise the customer on the suitability of the family takaful product, taking into consideration the appropriateness of the product to the customer's needs and circumstances.

c. Product features

- The FSP should provide the customer with a description of the family takaful product, including:
 - Applicable Shariah concepts
 - ♦ Between participants of the takaful fund for mutual financial assistance; and
 - ♦ Between the takaful operator and participants in managing the takaful funds;
 - types of family takaful and scope of cover;

For example:

- ♦ **Temporary / term takaful** offers takaful coverage for a limited period only, e.g. 10 years. The benefits will be paid only if the participant passes away or if the participant suffers total and permanent disability during the term of the certificate.

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- ♦ ***Endowment takaful*** combines protection and savings. The benefit will be paid either at the maturity of the certificate, death of the participant or occurrence of permanent disability during the term of the takaful contract, whichever is earlier.
- whether the product is meant for protection, savings or investment or a combination;
- For products with savings or investment elements, where participants bear the investment risks, information disclosed should be sufficient to enable understanding of market movements and implications on the takaful funds, including potential shortfall of the Participants' Investment Fund and possibility of certificate lapsation;
- the types of funds available under the family takaful certificate, e.g. the Participants' Investment Fund (PIF) and Participants' Risk Fund (PRF).
 - ♦ The PIF refers to the fund which is a portion of the contributions paid by takaful participants for a takaful product is allocated for the purpose of savings and/or investment.
 - ♦ The PRF refers to the fund used to pool the portion of contribution on the basis of tabarru' for the purpose of meeting claims on events/risks covered under the takaful contracts;
- in the case of PIF, the following information should be disclosed to the participant:
 - ♦ the investment strategy, types of assets invested to meet the illustrated benefits, future tabarru' payments and other liabilities of the takaful fund
 - ♦ potential shortfall of the PIF to meet tabarru', its consequences as well as remedial options available to the participant, e.g. top-up by the participant.
- the details of the riders attached to the main certificate, if any.

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d. Benefits payable and exclusions

- The following information should be disclosed to the customer:
 - the benefits payable and circumstances or contingencies upon which benefits are payable by the FSP to the customer;
 - limitation on benefits and the duration for which it is applicable, if any;
 - restrictions of benefits (including lien imposed on the certificate) and exclusions of the takaful certificate to ensure the customer understands what is not covered under the certificate; and
 - the surrender value payable under the family certificate and whether it is guaranteed or not guaranteed.

e. Contribution payments

- The FSP must provide the customer with the details of the contribution payments, including:
 - the amount of contributions, frequency with which and period over which payment is to be made in respect of the family takaful certificate. The FSP should qualify that the contribution rate is applicable to standard risks and that the certificate terms and rates may vary depending on the underwriting requirements of the FSP;
 - allocation of contribution to the respective funds available under the certificate, e.g. PIF and PRF;
 - whether the product participates in the investment profit and/or surplus of the respective funds available under the certificate and the details of participation. The customer should be advised to refer to the product illustration for further information; and
 - the grace period, which gives the customer additional period of time after the due date, for the payment of contribution.

f. Disclosure of wakalah fees and charges

- The FSP must disclose and explain the nature, amount and frequency of the payment of all applicable fees and charges borne by the customer (e.g. certificate fees and surrender charges), including:

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- wakalah fees borne by the customer expressed both in terms of aggregate amount and as a percentage of contributions payable and the purpose of charging the wakalah fees.

TAKAFUL OPERATORS WILL BE REQUIRED TO PROVIDE COMMISSION DISCLOSURE¹ AT A DATE TO BE ADVISED LATER..

1.2 At the point of entering into a contract

- a. Contractual rights and obligations
 - The FSP should highlight to the customer the contents of the proposal form, such as:
 - the aqad (contract) that binds the participants of takaful;
 - the aqad that binds the participants and the takaful operator;
 - the method of distribution of investment profits and surplus, in particular, the sharing ratio; and
 - the allocation of investment profit, surplus or fees to the takaful operator.
 - The customer should also be informed of the following:
 - any significant condition or obligation which the customer must meet;
 - duty of the customer to disclose all information material to the takaful and the consequences of failure to disclose / wrongful disclosure by the customer;
 - the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the takaful contract;
 - the requirement for proof of age to be provided;
 - the date of commencement of risk, the duration of the family takaful contract and the date of maturity or date on which the benefits are payable, if applicable;
 - the consequences of failure to pay contribution within the grace period and provisions of reinstatement;

¹ This requirement applies to family takaful products marketed through all channels of distribution other than savings products marketed via bancatakaful. The disclosure requirements on wakalah fee and charges for family takaful products participated via bancatakaful are stated in the Guidelines on Bancatakaful.

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- the importance of receiving and keeping the receipt from the FSP as proof of payment of contributions by the customer; and
- time frame required by the FSP to issue a certificate.

b. Free-look period

- The FSP should inform the customer clearly about the free-look period / cooling-off period of 15 calendar days from the delivery date of the certificate to review the suitability of the newly-participated certificate. It should be highlighted that a customer has the right to return the certificate within 15 calendar days of the delivery of the certificate, after reviewing the terms and conditions of the certificate. Any expenses incurred by the FSP for the customer's medical examination could be deducted from the contributions.

c. Replacement of certificates

- The FSP must warn the customer on the possible implications and disadvantages of switching from one type of family takaful certificate to another or from one FSP to another FSP.

d. Claims

- The FSP must explain to the customer the claim procedures and the customer's responsibilities in relation to making a claim against the certificate.

e. Other important notices

- Other important notices to the customer include:
 - the customer should be satisfied that the product would best serve the customer's needs and the contribution payable under the certificate is affordable;
 - the provisions for nomination and assignment, including the importance of making a nomination and its implications. The customer must be advised to nominate a nominee and ensure that the nominee is aware of the certificate that the customer has participated;

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- the nature of the benefits from the various takaful funds, i.e. whether it is guaranteed or not guaranteed. A benefit is considered as guaranteed if in the event that the takaful fund is unable to meet the participant's claim, there is an arrangement made by the FSP to address deficiency in the fund such as through qard or outright transfer; and
- in the event of deficiency in the PRF, the FSP must rectify the deficit through qard or outright transfer.
- Where the FSP provides provisional takaful cover from the date of receipt of a payment of contribution, the FSP must disclose to the customer the terms and conditions, and limitations attaching to such takaful cover during the period up to the date of issue of the family takaful certificate.
- Where the FSP does not provide takaful cover until the proposal has been examined and accepted by the FSP, the FSP must disclose to the customer that takaful cover must only be provided effective from the date of issue of the family takaful certificate.
- f. Change of contact details
 - The customer should be informed of the importance of notifying the FSP of any change in contact details, including the address of the customer and the nominee.

1.3 During the term of the contract

- a. Non-payment of contribution
 - The customer must be informed that in the event of non-payment of contribution, the various non-forfeiture options that are available and the advantages and disadvantages of each option should the contributions be unpaid within the grace period:
 - cash / surrender value, and the surrender charges, if applicable, with the caution that the customer will only receive an amount which is much less than the contributions paid if the certificate is surrendered; and

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- an advance will be made from the PIF to pay the outstanding contributions and the possibility of the certificate being lapsed upon exhaustion of the amount in the PIF.
- b. Annual statements
- Annual statements to the participant should include sufficient warning of potential shortfall of the PIF to meet tabarru', the consequences of the PIF shortfall and remedial actions to rectify the shortfall, e.g. top-up by the participant.
- c. Cessation of business with takaful agents
- In the event the takaful agent ceases to operate or ceases to continue to arrange its family certificates, the FSP is encouraged to inform the affected customer (either by written notice or via electronic means) of the following:
 - that the takaful agent has ceased to operate or has ceased to continue to arrange its family certificates;
 - the new point of contact for certificate servicing; and
 - how future contributions can be transmitted to the FSP, if applicable.

2. Investment-Linked (IL) Takaful Products

2.1 Pre-contractual stage

- a. Disclosure by FSP
- The FSP must inform the customer that it is registered under the TA and regulated by Bank Negara Malaysia.
 - Where takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the certificate must be disclosed to the customer.
- b. Advising and marketing
- The FSP should inform the customer of the importance of providing sufficient and accurate information to enable the FSP to advise the customer on the suitability of the IL product, taking into consideration the

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appropriateness of the product to the customer's needs and circumstances.

c. Nature and objective of the IL product

- The FSP should provide the customer with a description of the IL product, such as:
 - Applicable Shariah concepts
 - ♦ Between participants of the takaful fund for mutual financial assistance; and
 - ♦ Between the takaful operator and participants in managing the takaful funds;
 - the type of IL product;
 - the nature of investment including the underlying assets, objectives of the fund and investment strategy of the IL product, to enable the customer to make a proper assessment of the fund and its potential risks. Information disclosed to customer should be sufficient to enable understanding of market movements and implications on the takaful funds, including potential shortfall of the PIF and possibility of certificate lapsation;
 - The customer should be advised to refer to the relevant marketing materials for further information;
 - the availability of the top-up facility and its use as a method to maximise the customer's investment value; and
 - the basic takaful coverage, in the event of death and total permanent disability, and the multiple of the contribution paid.

d. Benefits payable and exclusions

- The following information should be disclosed to the customer:
 - the benefits payable and circumstances or contingencies upon which benefits are payable by the FSP to the customer;
 - certificate benefits will fluctuate based on the underlying performance of the IL fund;
 - limitation on benefits and the duration for which it is applicable, if any;

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- restrictions of benefits (including lien imposed on the certificate) and exclusions of the takaful certificate to ensure the customer understands what is not covered under the certificate; and
- the surrender value payable under the IL certificate and whether it is guaranteed or not guaranteed.

e. Contribution payments

- The FSP must provide the customer the details of the contribution payments, including:
 - whether it is a single lump-sum contribution payment product or a regular-contribution product;
 - the amount of contributions, frequency with which and period over which payment is to be made in respect of regular contribution product. The FSP should qualify that the contribution rate is applicable to standard risks and that the certificate terms and rates may vary, depending on the underwriting requirements of the FSP; and
 - the grace period, which gives the customer additional period of time after the due date, for the payment of contribution.

f. Disclosure of wakalah fees and charges

- The FSP shall disclose and explain the nature, amount and frequency of the payment of all applicable fees and charges borne by the customer, including:
 - details of wakalah fees borne by the customer especially commissions expressed both in terms of aggregate amount and as a percentage of contributions payable for each certificate year and the purpose of charging the wakalah fees, and
 - other fees and charges borne by the customer which are not included in the contributions and the purpose of each fee or charge.

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TAKAFUL OPERATORS WILL BE REQUIRED TO PROVIDE COMMISSION DISCLOSURE² ON IL TAKAFUL PRODUCTS WITH EFFECT FROM 15 APRIL 2010.

2.2 At the point of entering into a contract

a. Contents of proposal form

- The FSP should highlight to the customer the contents of the proposal form, such as:
 - the aqad that binds the participants of takaful;
 - the aqad that binds the participants and the takaful operator; and
 - the method of distribution of investment profits and surplus in particular, the sharing ratio.

b. Risks and returns

- The customer should be advised of the significant risks and benefits of investing in the IL product in order to make informed decisions. The customer should be advised to refer to the marketing literature for further information.
- In disclosing the benefits, the FSP should highlight to the customer the potential upside and downside of the product.
- Given that returns on IL product are often contingent on the performance of underlying assets, the FSP should highlight to the customer that past performance is not indicative of future performance.

c. Suitability of IL product

- The customer should be asked to at least consider the following:
 - whether the allocation of takaful contribution towards protection and investment meets the customer's financial circumstances;
 - whether the IL funds chosen match the customer's investment objectives and risk appetite;
 - whether the customer understands the financial risks and potential losses that may arise from investing in the IL product; and

² This requirement applies to IL takaful products marketed through all channels of distribution other than bancatakaful. The disclosure requirements on commission and charges for IL products participated via bancatakaful are stated in the Guidelines on Bancatakaful.

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- the customer should be satisfied that the IL product would best serve the customer's needs and that the contribution payable under the certificate is affordable.

d. Contractual rights and obligations

- The customer should be informed of the following:
 - any significant condition or obligation which the customer must meet;
 - duty of the customer to disclose all information material to the takaful and the consequences of failure to disclose / wrongful disclosure by the customer;
 - the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the takaful contract;
 - the requirement for proof of age to be provided;
 - the date of commencement of risk;
 - the consequences of failure to pay contributions within the grace period and provisions of reinstatement;
 - the importance of receiving and keeping the receipt from the FSP as proof of payment of contributions by the customer; and
 - time frame required by the FSP to issue a certificate.

e. Free-look period

- The FSP should inform the customer clearly about the free-look period / cooling-off period of 15 calendar days from the delivery date of the certificate to review the suitability of the newly-participated certificate. It should be highlighted that a customer has the right to return the certificate within 15 calendar days of the delivery of the certificate, after reviewing the terms and conditions of the certificate, and the FSP must refund:
 - the unallocated contributions;
 - value of units that have been allocated (if any) at unit price at the next valuation date; and
 - any takaful charge and certificate fee that have been deducted, less medical expenses which may have been incurred.

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f. Replacement of certificates

- The FSP must clearly indicate to the customer on the possible implications and disadvantages of switching from one type of IL certificate to another or from one FSP to another FSP.

g. Claims

- The FSP must explain to customer the claim procedures and customer's responsibilities in relation to making a claim against the certificate.

h. Other important notices

- Other important notices to the customer include:
 - the availability of a cash value with the caution that the customer will only receive an amount which is much less than the contributions paid if the certificate is surrendered, and the surrender charges, if applicable;
 - in the case of contribution holidays, the customer must be advised on the consequences of taking a contribution holiday, including the possibility of the certificate lapsing when the required charges, including rider charges exceed the value of IL fund units available;
 - the provisions for nomination and assignment, including the importance of making a nomination and its implications. The customer must be advised to nominate a nominee and ensure that the nominee is aware of the certificate that the customer has participated;
 - where the fund is capital guaranteed (by a third party), the guarantee is only valid at a certain point in time, and it must be disclosed that the guarantee is not valid on premature withdrawal;
 - the availability of options to vary the level of death benefits and contributions and switch IL fund; and
 - the availability of top-up facility on the customer's existing IL certificate at any time to enhance the investment portion of both single and regular contribution certificate, with or without any change in the takaful coverage.

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- i. Change of contact details
 - The customer should be informed of the importance of notifying the FSP of any change in contact details, including the address of the customer and the nominee.

2.3 During the term of the contract

- a. Annual statements
 - Annual statements to the participant should include sufficient warning of potential shortfall of the PIF to meet tabarru', the consequences of the PIF shortfall and remedial actions to rectify the shortfall, e.g. top-up by the participant.
- b. Cessation of business with takaful agents
 - In the event the takaful agent ceases to operate or ceases to continue to arrange its IL product, the FSP is encouraged to inform the affected customer (either by written notice or via electronic means) of the following:
 - that the takaful agent has ceased to operate or has ceased to continue to arrange its IL product;
 - the new point of contact for certificate servicing; and
 - how future contributions can be transmitted to the FSP, if applicable.

3. General Takaful Products (other than Medical and Health Takaful)

3.1 Pre-contractual stage

- a. Disclosure by FSP
 - The FSP must inform the customer that it is registered under the TA and regulated by Bank Negara Malaysia.
 - Where takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the certificate.
- b. Principles of takaful
 - To enhance understanding on the nature of takaful products, the FSP should explain to the customer the following four main principles of takaful

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which are applicable to the takaful product which the customer intends to participate in:

- permissible takaful interest - a participant must have permissible takaful interest, i.e. right, title or interest in a property / item / life such that a loss or damage to the property / item / life would result in a financial loss to the participant;
- utmost good faith - a participant has a duty to disclose to the FSP all material facts regarding the subject matter of takaful and the circumstances pertaining to it;
- contract of indemnity³ - financial compensation to restore, as best as possible, the participant to the same position the participant had enjoyed immediately before the loss; and
- contribution - the FSP is liable only for the FSP's 'rateable proportion' of the loss in the event a participant has more than one certificate to cover a particular property.

c. Product features

- the FSP must explain the main features of the product to the customer, including:
 - Applicable Shariah concepts
 - ♦ Between participants of the takaful fund for mutual financial assistance; and
 - ♦ Between the takaful operator and participants in managing the takaful funds;
 - types of cover offered and the scope of each cover;

For example:

 - ♦ **Motor takaful:** available covers are third party; comprehensive; and third party, fire and theft. Third party certificate covers the customer against claims for bodily injuries or deaths caused to other persons as well as loss or damage to third party properties caused by the customer's vehicle.
 - ♦ **Houseowner / householder takaful:** available covers are basic fire; houseowner; and householder. The basic fire

³ Not applicable to most personal accident product.

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certificate provides the customer with coverage for the building only and covers loss or damage by fire, lightning or explosion.

- ♦ **Personal accident (PA) takaful:** *available covers are accidental death, permanent total or partial disablement, temporary total or partial disablement, medical expenses, hospitalisation benefits and funeral expenses. The customer should be advised to refer to the scale of benefits for death and disablement in the takaful certificate.*
- exclusions which can be covered with payment of additional contributions;
For example:
 - ♦ **Motor takaful:** *the comprehensive motor certificate can be extended to cover flood, landslide and windscreen damage and / or extensions to cover passengers.*
 - ♦ **Houseowner / householder takaful:** *the houseowner takaful certificate can be extended to cover subsidence, landslip, riot, strike and malicious damage.*
 - ♦ **PA takaful:** *the certificate can be extended to cover death or injury while operating or riding a motorcycle.*
- the importance of ensuring that the property is covered at the market value and the effect of over-insurance and under-insurance, particularly during the duration of the certificate (not applicable for PA takaful);

For example:

- ♦ **Motor takaful:** *the customer must be advised on the present market value of the vehicle, based on reference to a credible vehicle valuation database. The present market value must be indicated in the notice of expiry or product disclosure. The customer should be advised to cover the vehicle at the market value of the vehicle and betterment charges which may be applicable in motor takaful claim.*
- ♦ **Houseowner / householder takaful:** *the customer should be advised to ensure the property is adequately covered taking into account the renovations made to the property. The amount*

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covered should cover the cost of rebuilding the property in the event of loss / damage. The basis of compensation for householder certificate, i.e. whether it is on reinstatement or replacement value should be explained to the customer.

- restrictions and exclusions of the certificate to ensure the customer understands what are not covered under the certificate.

For example:

- ♦ **Motor takaful:** *the standard comprehensive motor takaful certificate does not cover certain losses such as death of or bodily injury to the driver and passengers due to a motor accident and damage to vehicle arising from an act of nature such as flood and landslide. . In addition, a warning that it is an offence under the laws of the Republic of Singapore to enter the country without extending passenger liability cover should also be informed to the customer.*
- ♦ **Houseowner / householder takaful:** *householder certificate does not cover theft claims if there is no evidence of forced and violent entry / exit.*
- ♦ **PA takaful:** *PA takaful does not cover death, disability or injury due to war, terrorism, suicide and insanity, AIDS, dangerous sports, riding on a motorcycle and while taking part in military, naval, air force, police or fire service duties. In addition, the range of age limits that can be covered under the PA takaful should be informed to the customer.*

d. Costs

- The FSP shall disclose and explain the nature, amount and frequency of all applicable fees and charges borne by the customer, including:
 - the takaful contribution breakdown for each cover being participated by the customer. The FSP should qualify that the total contribution payable may vary depending on the underwriting requirements of the FSP, where applicable;

For example:

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- ♦ **Motor takaful:** contribution payable will depend on no-claim-discount entitlement of the customer and the underwriting requirements of the FSP such as age of vehicle and claims experience.
- other fees and charges which are not included in the takaful contributions, and the purpose of each fee or charge (including any possible future fees or charges, such as for changing or cancelling the certificate, handling claims or any other services);
- details of wakalah fees especially commissions, expressed both in terms of aggregate amount and as a percentage of takaful contributions payable and the purpose of charging the wakalah fees; and
- the timing of the contribution payment and the methods of payment available.

For example:

- ♦ **Motor takaful:** cash-before-cover requirements. The customer should be advised to pay the contributions directly to the FSP, either by cash, credit card or cheques (cheques should be made payable only in the name of the FSP).
- ♦ **Houseowner / householder takaful:** premium warranty requirements.

3.2 At the point of entering into a contract

- a. Contractual rights and obligations
 - The customer should be informed of the following:
 - The contents of the proposal form, such as:
 - ♦ the aqad that binds the participants of takaful; and
 - ♦ the aqad that binds the participants and the takaful operator.
 - any significant condition, warranty or obligation which the customer must meet, failing which the FSP may repudiate liability or cancel the cover;

For example:

- ♦ **Motor takaful:** authorised drivers and limitations of use.

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- duty of the customer to disclose all information material to the takaful and the consequences of failure to disclose / wrongful disclosure by the customer;

For example:

- ♦ **Motor takaful:** *previous accident and modification to engines.*
- ♦ **PA takaful:** *the occupation and personal pursuits of the customer which would affect the risk profile of the customer and the number of PA certificates that the customer had participated from other FSP.*

- the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the takaful contract;

For example:

- ♦ **PA takaful:** *the customer must also be advised to nominate a nominee and ensure that the nominee is aware of the PA certificate that the customer has participated.*

- the period of coverage;
- the importance of receiving and keeping the receipt from the FSP as proof of payment of contributions by the customer; and
- time frame required by the FSP to issue certificate.

b. Claims

- The FSP must explain to the customer the claims procedures and the customer's responsibilities in relation to making a claim against the certificate;

For example:

- **Motor takaful:** *the steps to be taken by the customer when involved in an accident which includes informing the customer on the requirement to obtain details of the accident such as the vehicles involved, lodging a police report within 24 hours of the incident, notifying the FSP immediately. As best practice, the FSP may wish to advise the customer to deal only with PIAM Approved Repairers Scheme (PARS) Workshop. The FSP may also wish to advise comprehensive cover policy owners to submit a third party claim to their own insurer under Own Damage Knock-For-Knock*

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arrangement. The customer should also be informed of the excess that the customer should bear for vehicle damage claims. The FSP should also explain to the customer on claims for the compensation for assessed repair time (CART).

- ***Houseowner / householder takaful:*** *the amount of compensation would depend on the basis of cover (i.e. replacement basis or reinstatement basis). The customer should be advised to specifically declare each item to be covered and keep the purchase receipts of household items to substantiate a claim under the householder certificate.*
- ***PA takaful:*** *if the customer has participated in multiple PA takaful certificates, certain losses such as medical expenses are compensated on reimbursement basis and therefore, the customer will be compensated only once for the actual loss suffered.*
- *possible implications of the claim on the customer's certificates in future renewals.*

For example:

- ***Motor takaful:*** *imposition of excess or loading and loss of no-claim-discount.*

c. Notice of cancellation

- The FSP must inform the customer that:
 - the certificate can be cancelled by the customer at any time by giving a written notice to the FSP; and
 - upon cancellation, the customer is entitled to a refund of the contribution.

For example:

- ♦ ***Motor takaful:*** *Refund of the contribution is based on short-period rates.*
- ♦ ***Houseowner / householder takaful and PA takaful:*** *Refund of the contribution is based on short-period rates.*

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d. Change of contact / personal details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.
- Specifically for PA certificate, the customer must be advised to inform the FSP of any change in the customer's life profile, including the occupation and personal pursuits which would affect the risk profile of the customer.

e. Other information

- The FSP must provide the customer with a copy of the relevant '*insuranceinfo* fact sheet' together with the certificate, either in Bahasa Malaysia or English depending on the preference of the customer, for every new certificate issued to the customer. The '*insuranceinfo* fact sheet' contains salient features and principles relating to takaful to facilitate customer's understanding of the product.
- For motor takaful, in view of the high number of complaints received on motor takaful, the FSP is also required to provide a copy of the '*insuranceinfo* fact sheet' on motor takaful to the customer upon subsequent renewal of motor takaful certificate.

3.3 During the term of the contract

To ensure that the customer is given sufficient notice to obtain takaful cover, the FSP should issue a notice of the expiry of the existing certificate to the customer, at least 30 calendar days before the expiry date.

For motor takaful, where the market value of the vehicle is provided in the notice of expiry, the market value must be current based on reference to a credible valuation database. However, if the market value of the motor vehicle is not available in the vehicle valuation database, the FSP may provide the previous year's sum covered of the vehicle in the notice of expiry and clarify that the sum covered indicated is based on the previous year's sum covered, and that the current market value of the vehicle may have further depreciated. The customer should also be informed on the applicable rebate if the customer chooses to renew directly with the takaful operator. In addition, the FSP should also issue the no-claim-discount entitlement to the customer

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together with the notice of the expiry as well as a warning statement that it is an offence under the laws of the Republic of Singapore to enter the country without extending passenger liability cover.

4. Medical and Health Takaful (MHT)

The disclosure requirements are applicable to all types of individual MHT certificates, including MHT riders attached to individual family certificates, and group MHT certificates where the group certificate owners have no permissible takaful interest in the persons covered under the certificates. The disclosure requirements stipulated in the Guidelines must be made to all individuals covered under such group certificates. For other group MHT certificates, the FSP should ensure that the disclosures are made to the master certificate owners.

4.1 Pre-contractual stage

a. Disclosure by FSP

- The FSP must inform the customer that it is registered under the TA and regulated by Bank Negara Malaysia.
- Where takaful is to be arranged through an intermediary, the name and address of the intermediary and the FSP underwriting the certificate must be disclosed to the customer.

b. Advising and marketing

- The FSP should inform the customer of the importance of providing sufficient and accurate information to enable the FSP to advise the customer on the suitability of the MHT product, taking into consideration the appropriateness of the product to the customer's needs and circumstances.

c. Product features

- The FSP should provide the customer with sufficient details of the essential features of a MHT certificate, including:
 - Applicable Shariah concepts
 - ♦ Between participants of the takaful fund for mutual financial assistance; and

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- ♦ Between the takaful operator and participants in managing the takaful funds;
 - types of MHT products offered, such as hospitalisation and surgical takaful (HST), critical illness takaful, disability income takaful and hospital income takaful, and the scope of cover for each type of takaful product;
 - details of the benefits covered under the MHT certificate, such as what is and what is not covered. For example, HST covers hospital accommodation and nursing expenses, surgical expenses, physicians' expenses and in-patient tests but it does not cover maternity, congenital abnormalities and cosmetic or plastic surgery;
 - the amount of benefits payable under the certificate, when those benefits are payable and the process and procedures involved in reimbursement of medical expenses incurred by the customer.
 - a lump sum payment of sum participated or payment of an income stream at regular intervals for the period that the customer is incapacitated or hospitalised; and
 - details of the events, circumstances or contingencies upon which benefits are payable.
- d. Exclusions and limitations of benefits
 - Information regarding benefit exclusions and limitations, pre-existing conditions, specified illnesses and qualifying / waiting period as defined in the MHI Underwriting Guide must be adequately disclosed and clearly explained to the customer.
 - The FSP should also inform the customer whether any particular cover ceases at a pre-determined age or certificate anniversary.
- e. Contribution payments
 - The FSP must provide to the customer the full details of the contribution payments, including:
 - the amount of contribution, the frequency of payment and the period over which the contributions are payable. The FSP should qualify

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that the total contribution payable may vary depending on the underwriting requirements of the FSP, where applicable;

- the contribution rates table showing the contributions of the product for all ages at entry;
- the possible conditions that would lead to the following scenarios on certificate renewals:
 - ♦ certificate is renewed with a level contribution;
 - ♦ certificate is renewed with an increased contribution; or
 - ♦ certificate is not renewed.

A statement should also be made to alert the customer that the possible conditions disclosed are not exhaustive and that contribution rates may be reviewed or certificate renewal declined under other justified circumstances;

- whether the contributions are level or may vary on renewal. If it has varied before, statistics on the annual increases in the standard contributions for the product over the last three years for selected sample ages at entry of 30, 40, 50 and 60 should be disclosed. There should also be a statement to alert the customer that the past trends on the increase in contribution rates do not necessarily reflect the future trend;
- the FSP's right to revise the contributions on certificate renewals; and
- co-payments borne by a customer under cost-sharing or co-takaful terms, if applicable, should be made clear to the customer.

f. Disclosure of wakalah fees and charges

- The FSP shall disclose and explain the nature, amount and frequency of the payment of all applicable fees and charges borne by the customer, including:
 - details of wakalah fees especially commissions expressed both in terms of aggregate amount and as a percentage of contributions payable for each certificate year for stand-alone certificates and group certificates and the purpose of charging the wakalah fees; and

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- other fees and charges which are not included in the contributions and the purpose of each fee or charge.

4.2 At the point of entering into a contract

a. Contractual rights and obligations

- The customer should be informed of the following:
 - The contents of the proposal form, such as:
 - ♦ the aqad that binds the participants of takaful; and
 - ♦ the aqad that binds the participants and the takaful operator.
 - any significant condition or obligation which the customer must meet, failing which the FSP may repudiate liability or cancel the MHT certificate;
 - duty of the customer to disclose all information material to the takaful and the consequences of failure to disclose / wrongful disclosure by the customer such as the customer's age and medical condition;
 - the importance for the customer to ensure that the proposal form is completed accurately as it forms the basis of the takaful contract;
 - the period of coverage;
 - the importance of receiving and keeping the receipt from the FSP as proof of payment of contributions by the customer; and
 - time frame required by the FSP to issue a certificate.

b. Free-look period

- The customer is clearly informed of the free-look period / cooling-off period of 15 calendar days from the delivery date of the certificate to review the suitability of the newly-participated certificate. It should be highlighted that the customer has the right to return the certificate within 15 calendar days of the delivery of the certificate, after reviewing the terms and conditions of the certificate. Any expenses incurred by the FSP for the customer's medical examination could be deducted from the contributions.

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c. Replacement of certificates

- The FSP must inform the customer on the possible implications and disadvantages of switching from one type of MHT certificate to another or from one FSP to another FSP. For example, the customer may be subject to new terms and conditions of the new certificate or of the new FSP.

d. Claims

- The FSP must explain to the customer the claims procedures and the customer's responsibilities in relation to making a claim against the certificate.
- The FSP should provide the list of panel hospitals / clinics where the customer can seek treatment, if applicable.

e. Notice of cancellation

- The FSP must inform the customer that:
 - the MHT certificate can be cancelled by the customer at any time by giving a written notice to the FSP; and
 - for certain types of MHT certificate, the customer is entitled to a certain amount of contribution refund provided the customer has not made a claim on the certificate.

f. Change of contact details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.

4.3 During the term of the contract

a. Termination of coverage

To ensure the customer is given sufficient notice, the FSP should issue a notice of the expiry of the existing certificate to the customer, at least 30 calendar days before the expiry date. For example, a notice should be issued by the FSP to inform the customer that the MHT certificate / rider will automatically terminate if the certificate anniversary nearest to the 70th birthday of the participant is reached.

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b. Change to benefits and contributions

The FSP should notify the customer in writing of all changes to critical benefits and contributions of a particular MHT certificate and preferably, the reasons for any change, at least 30 calendar days before any change is made. The customer should be informed of the change made and given adequate time to reassess the takaful needs and to search for alternative products, if necessary. Change to benefits and contributions of MHT certificates can be made on certificate anniversary or upon renewal only.

c. Change to panel hospitals / clinics

The FSP must ensure that the customer is informed of any change in its panel hospitals / clinics at least 30 calendar days prior to the effective date of the change.

d. Cessation of business with takaful agents

- In the event the takaful agent ceases to operate or ceases to continue to arrange its MHT certificates, the FSP is encouraged to inform the affected customer (either by written notice or via electronic means) of the following:
 - that the takaful agent has ceased to operate or has ceased to continue to arrange his MHT certificates;
 - the new point of contact for certificate servicing; and
 - how future contributions can be transmitted to the FSP, if applicable.

4.4 Disclosure requirements for marketing materials

All possible exclusions or limitations in a MHT certificate should, as far as practicable, be disclosed in marketing materials. Disclosures should at least cover the following areas:

- a. a statement to alert the customer the fact that there are exclusions and limitations in benefits, and the source where the detailed information on the exclusions and limitations could be obtained from;

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- b. highlighting important exclusions and limitations of benefits and circumstances in which the exclusions and limitations apply;
- c. highlighting important pre-existing conditions, specified illnesses and the qualifying period applicable;
- d. highlighting the waiting period, deductibles, reimbursements, co-takaful, residence overseas, treatment overseas and the circumstances in which the limitations and exclusions apply; and
- e. a statement to alert the customer that the exclusions and limitations of benefits highlighted are not exhaustive and the details are in the takaful contract.

The FSP may use simple examples to illustrate the above disclosures.

Appendix I Requirement for Product Disclosure Sheet

Type of Product	Requirement for Product Disclosure Sheet ¹	
	Yes	No
Ordinary Family Takaful	✓	
Investment-Linked Takaful	✓	
Motor Takaful	✓	
Houseowner / Householder Takaful	✓	
Personal Accident Takaful	✓	
Medical and Health Takaful	✓ ²	
Other products	✓	

Note:

1. Product disclosure sheet should be given to the customer when participating in a new takaful certificate as well as when the customer renews the takaful certificate, if there is a material change in the information.
2. With the issuance of the product disclosure sheet for medical and health takaful, takaful operators are no longer required to issue the information sheet under the Guidelines on Medical and Health Takaful Business.

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Appendix II Product Disclosure Sheet Samples

A. Ordinary Family Takaful

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to participate in the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>XYZ Term Takaful Plan</i></p> <p><Date></p>				
<p>1. What is this product about?</p> <p>This certificate offers takaful protection for [10] years. It pays a lump sum death benefit if you die or suffer total and permanent disability during the term of the certificate.</p>					
<p>2. What are the Shariah concepts applicable?</p> <ul style="list-style-type: none"> Between participants of the takaful fund for mutual financial assistance Between the takaful operator and participants in managing the takaful funds 					
<p>3. What are the covers / benefits provided?</p> <p>This plan covers:</p> <ul style="list-style-type: none"> Death – RMxx; and Total and permanent disability – RMxx. <p><i>(To indicate any other additional cover provided such as rider, etc.)</i></p> <p>Duration: Premature death or term of the contract: [10] years</p>					
<p>4. How much contribution do I have to pay?</p> <p>The total contribution that you have to pay and the certificate terms may vary depending on the underwriting requirements of the takaful operator:</p> <ul style="list-style-type: none"> The estimated total contribution that you have to pay: <u>RMxx</u> annually/semi-annually/quarterly/monthly Contribution duration: until age [xx] 					
<p>5. What are the fees and charges that I have to pay?</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 40%;">Type</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Wakalah fees Stamp duty <p><i>(To indicate other charges if applicable.)</i></p> </td> <td> <ul style="list-style-type: none"> Y% of contribution or RMxx RMxx </td> </tr> </tbody> </table>		Type	Amount	<ul style="list-style-type: none"> Wakalah fees Stamp duty <p><i>(To indicate other charges if applicable.)</i></p>	<ul style="list-style-type: none"> Y% of contribution or RMxx RMxx
Type	Amount				
<ul style="list-style-type: none"> Wakalah fees Stamp duty <p><i>(To indicate other charges if applicable.)</i></p>	<ul style="list-style-type: none"> Y% of contribution or RMxx RMxx 				
<p>6. What are some of the key terms and conditions that I should be aware of?</p> <ul style="list-style-type: none"> Importance of disclosure - you must disclose all material facts such as medical condition, and state your age correctly. Free-look period - you may cancel your certificate by returning the certificate within 15 calendar days after 					

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the certificate has been delivered to you. The contributions that you have paid (less any medical fee incurred) will be refunded to you.

(To highlight other key terms and conditions.)

Note:

This list is non-exhaustive. Please refer to the takaful certificate for the terms and conditions under this certificate.

7. What are the major exclusions under this certificate?

- Suicide – if death was due to suicide within [*one*] year, your nominee will not receive any money.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the takaful certificate for the full list of exclusions under this certificate.

8. Can I cancel my certificate?

Participating in a family takaful plan is a long-term financial commitment. If you do not pay your contributions within the grace period, your certificate may lapse. The cash amount that the takaful operator will pay you when you cancel the certificate before the maturity period will be much less than the total amount of contribution that you have paid.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get further information?

Should you require additional information about family takaful, please refer to the *insuranceinfo* booklet on 'Family Takaful', available at all our branches or you can obtain a copy from the takaful agent or visit www.insuranceinfo.com.my.

If you have any enquiries, please contact us at:

ABC Takaful Berhad
Address:
Tel:
Fax:
E-mail:

11. Other similar types of family takaful cover available

Please ask the takaful operator / intermediary for other similar types of plans offered by the takaful operator.

IMPORTANT NOTE:

PARTICIPATING IN A FAMILY TAKAFUL PLAN IS A LONG-TERM FINANCIAL COMMITMENT. YOU MUST CHOOSE THE TYPE OF CERTIFICATE THAT BEST SUITS YOUR PERSONAL CIRCUMSTANCES. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

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B. Investment-Linked Takaful

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to participate in the <Name of Product>. Be sure to also read the general terms and conditions.)		<Name of Financial Service Provider> <Name of Product> <Date>		
1. What is this product about? This investment-linked takaful certificate (ILT) offers a combination of takaful protection and investment. It pays a lump sum death benefit (i.e. the sum participated) if you die / or totally and permanently disabled during the term of the certificate and the value of the investment units, at the time of claim. The value of the ILT depends on the price of the underlying units, which in turn depends on the performance of your chosen fund				
2. What are the Shariah concepts applicable? <ul style="list-style-type: none"> Between participants of the takaful fund for mutual financial assistance Between the takaful operator and participants in managing the takaful funds 				
3. What are the covers / benefits provided? <table border="1"> <tr> <td> This plan covers: <ul style="list-style-type: none"> Death – RMxx (i.e. basic sum participated) plus the total investment value; and Total and permanent disability – RMxx. (To indicate any other additional cover provided such as rider, etc.) </td> <td> Funds chosen: <ul style="list-style-type: none"> Fund I – xx % Fund II – xx % </td> </tr> </table>			This plan covers: <ul style="list-style-type: none"> Death – RMxx (i.e. basic sum participated) plus the total investment value; and Total and permanent disability – RMxx. (To indicate any other additional cover provided such as rider, etc.)	Funds chosen: <ul style="list-style-type: none"> Fund I – xx % Fund II – xx %
This plan covers: <ul style="list-style-type: none"> Death – RMxx (i.e. basic sum participated) plus the total investment value; and Total and permanent disability – RMxx. (To indicate any other additional cover provided such as rider, etc.)	Funds chosen: <ul style="list-style-type: none"> Fund I – xx % Fund II – xx % 			
Reminder: Please read the marketing literature which includes product benefits and objectives of the investment-linked fund. It is important to select a fund or a combination of funds that suit your financial goals and risk profile.				
4. How much contribution do I have to pay? The total contribution that you have to pay and the certificate terms may vary depending on the underwriting requirements of the takaful operator: <ul style="list-style-type: none"> The estimated total contribution that you have to pay: RMxx annually/semi-annually/quarterly/monthly Takaful operator allocates a portion of the contribution to purchase units in the investment-linked fund that you have chosen. Any unallocated amount will be used to pay wakalah fees, which include commissions to agents and other expenses of the takaful operator. You are advised to refer to the allocation rates given in the product illustration.				
5. What are the fees and charges I have to pay? <ul style="list-style-type: none"> The tabarru' charges are deducted monthly from the value of your units. The tabarru' charges will increase as you grow older. Details of tabarru' charges and other charges for the ILT are given in the product illustration. 				
6. What are some of the key terms and conditions that I should be aware of? <ul style="list-style-type: none"> Importance of disclosure - you must disclose all material facts such as medical condition, & state your age correctly. Free-look period - you may cancel your ILT by returning the certificate within 15 days after the certificate has been delivered to you. The takaful operator will refund to you the unallocated contributions, the value of units that have been allocated (if any) at unit price at the next valuation date and any tabarru' charge and certificate fee 				

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that have been deducted less any medical fee incurred.

- Cash value - the cash value of the ILT depends on the performance of the investment-linked funds selected. The higher the level of takaful coverage selected, the more units will be absorbed to pay for the tabarru' charges and the fewer units will remain to accumulate cash values under your certificate.
- Lapse of certificate – The ILT certificate will lapse when the value of investment units is insufficient to pay for the tabarru' and other charges.

(To highlight other key terms and conditions.)

Note:

This list is non-exhaustive. Please refer to the certificate contract for the terms and conditions under this certificate.

7. What are the major exclusions under this certificate?

- Suicide – if death was due to suicide within [one] year, your nominee will not receive any amount.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the certificate contract for the full list of exclusions under this certificate.

8. Can I cancel my certificate?

Participating in a regular contribution ILT is a long-term financial commitment. It is not advisable to hold this certificate for a short period of time in view of the high initial costs. If you find that the fund that you have chosen is no longer appropriate, you have the flexibility to switch fund. You are allowed one switch per year without any fee. For additional switches, you may be charged a processing fee.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get further information?

Should you require additional information about investment-linked takaful, please refer to the *insuranceinfo* booklet on 'Investment-linked takaful', available at all our branches or you can obtain a copy from the takaful agent or visit www.insuranceinfo.com.my.

If you have any enquiries, contact us at:

ABC Takaful Berhad

Address:

Tel:

Fax:

E-mail:

11. Other similar types of plan available

Please ask the takaful operator / intermediary for other similar types of plans offered by the takaful operator

IMPORTANT NOTE:

THIS IS A TAKAFUL PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS. YOU MUST EVALUATE YOUR OPTIONS CAREFULLY AND SATISFY YOURSELF THAT THE INVESTMENT-LINKED PLAN CHOSEN MEET YOUR RISK APPETITE, AND THAT YOU CAN AFFORD THE CONTRIBUTION THROUGHOUT THE CERTIFICATE DURATION. TO INCREASE INVESTMENT VALUE AT ANY TIME, IT IS ADVISABLE THAT YOU PAY THE ADDITIONAL CONTRIBUTIONS AS 'TOP UPS'. RETURN ON AN INVESTMENT-LINKED FUND IS NOT GUARANTEED.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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C. Motor Takaful

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to participate in the <Name of Product>. Be sure to also read the general terms and conditions.)		<Name of Financial Service Provider> <Name of Product> <i>Comprehensive Motor Takaful Plan</i> <Date>
1. What is this product about? This certificate provides cover against liabilities to other parties for injury or death, damage to other parties' property, and accidental or fire damage to your vehicle or theft of your vehicle.		
2. What are the Shariah concepts applicable? <ul style="list-style-type: none"> Between participants of the takaful fund for mutual financial assistance Between the takaful operator and participants in managing the takaful funds 		
3. What are the covers / benefits provided? This plan covers: <ul style="list-style-type: none"> Third party bodily injury and death; Third party property loss or damage; and Loss or damage to your own vehicle due to accidental fire, theft, or accident Optional benefits that are available by paying additional contribution: <ul style="list-style-type: none"> Windscreen damage; Passenger liability cover; and Damage arising from flood and landslide. <p>(To indicate any other additional cover provided.) Note : It is an offence under the laws of the Republic of Singapore to enter the country without extending passenger liability cover to your motor takaful.</p> Duration of cover is for one year. You need to renew the certificate annually.		
4. How much contribution do I have to pay ? The total contribution that you have to pay may vary depending on the no-claim-discount (NCD) entitlement and the underwriting requirements of the takaful operator: <ul style="list-style-type: none"> Standard cover: RMxx contributions for amount covered of RMxx * NCD entitlement: xx% Additional cover: RMxx The estimated total contribution that you have to pay is: RMxx * This amount covered is based on the current market value of the vehicle based on reference to ABC vehicle valuation database ¹ .		
5. What are the fees and charges that I have to pay?		
Type	Amount	

¹ Takaful operator to indicate the name of the vehicle valuation database which the takaful operator had referred to determine the present market value of the vehicle.

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- | | |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Wakalah fees Stamp Duty
(To indicate other charges if applicable.) | <ul style="list-style-type: none"> Y% of contribution or RMxx of which: <ul style="list-style-type: none"> Commission – 10% or RMxx Other expenses - y% or RMxx RMxx |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

6. What are some of the key terms and conditions that I should be aware of?

- Importance of disclosure – you must disclose all material facts such as previous accidents and modification to engines.
- You must ensure that your vehicle is covered at the appropriate amount.
- The excess, that is the amount of loss you have to bear if your vehicle is driven by a person not named in your certificate: RMxx
(To highlight other key terms and conditions.)

7. What are the major exclusions under this certificate?

This certificate does not cover certain losses, such as:

- Your own death or bodily injury due to a motor accident;
- Your liability against claims from passengers in your vehicle; and
- Loss, damage or liability arising from an act of nature i.e. flood, storm or landslide.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the sample takaful certificate for the full list of exclusions under this certificate.

8. Can I cancel my certificate?

You may cancel your certificate at any time by giving written notice to the takaful operator. Upon cancellation, you are entitled to a partial refund of the contribution provided you have not made a claim.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get further information?

Should you require additional information on motor takaful, please refer to the *insuranceinfo* booklet on 'Motor Takaful', available at all our branches or you can obtain a copy from the takaful agent or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

ABC Takaful Berhad

Address:

Tel:

Fax:

E-mail:

11. Other types of motor takaful cover available

- abc
- xyz

IMPORTANT NOTE:

YOU SHOULD ENSURE THAT YOUR VEHICLE IS COVERED AT THE APPROPRIATE AMOUNT. IN THE EVENT OF AN ACCIDENT, YOU ARE ADVISED TO DEAL WITH

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APPROVED WORKSHOPS. IF YOU HAVE A COMPREHENSIVE COVER AND YOU ARE NOT AT FAULT, YOU ARE ADVISED TO SUBMIT YOUR CLAIM TO YOUR TAKAFUL OPERATOR. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

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D. Houseowner / Householder Takaful

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to participate in the <Name of Product>. Be sure to also read the general terms and conditions.)	<Name of Financial Service Provider> <Name of Product> <i>Houseowner Takaful</i> <Date>
1. What is this product about?	
This certificate provides you with coverage for the building only and covers loss or damage by fire, lightning, explosions, flood, burst pipe or by any perils mentioned in the takaful certificate.	
2. What are the Shariah concepts applicable?	
<ul style="list-style-type: none"> Between participants of the takaful fund for mutual financial assistance; and Between the takaful operator and participants in managing the takaful funds. 	
3. What are the covers / benefits provided?	
This plan covers: <ul style="list-style-type: none"> Loss or damage to your building due to fire, lightning and explosion caused by gas used for domestic purposes; Loss or damage to your building by aircraft, road vehicles or animals, bursting or overflowing of water tanks or pipes, theft, windstorm, loss of rent, earthquake and flood; and Loss of rent. You may extend coverage to the following risks by paying additional contributions: <ul style="list-style-type: none"> Subsidence, landslip, riot, strike and malicious damage; and Liability to third parties for accidents in your house. (To indicate any other additional cover provided.) Duration of cover is for one year. You need to renew your takaful certificate annually.	
4. How much contribution do I have to pay ?	
The total contribution that you have to pay may vary depending on the underwriting requirements of the takaful operator: <ul style="list-style-type: none"> Standard cover: RMxx contribution for amount covered of RMxx Additional cover: RMxx The estimated total contribution that you have to pay is: RMxx	
5. What are the fees and charges that I have to pay?	
Type	Amount
<ul style="list-style-type: none"> Wakalah fees Stamp duty (To indicate other charges if applicable.)	<ul style="list-style-type: none"> Y% of contributions or RMxx of which: <ul style="list-style-type: none"> Commission – 15% or RM xx Other expenses – y% or RMxx RMxx
6. What are some of the key terms and conditions that I should be aware of?	
<ul style="list-style-type: none"> Importance of disclosure – you must give all the facts in your application form fully and faithfully. 	

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- You must ensure that your property is covered at the appropriate amount taking into account the renovations made to your property.

(To highlight other key terms and conditions, including the basis of compensation for loss / damage to the property.)

7. What are the major exclusions under this certificate?

This certificate does not cover certain losses, such as:

- Loss / damage to household contents;
- Loss / damage due to subsidence, landslip, riot, strike and malicious damage; and
- Coverage for fatal injury to the participant.

(To highlight other major exclusions.)

Note:

This list is non-exhaustive. Please refer to the sample takaful certificate for the full list of exclusion under this certificate.

8. Can I cancel my certificate?

You may cancel your certificate by giving written notice to the takaful operator. Upon cancellation, you are entitled to a partial refund of the contribution provided you have not made a claim.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get further information?

Should you require additional information on homeowners / householders takaful, please refer to the *insuranceinfo* booklet on 'Houseowners / Householders Takaful', available at all our branches or you can obtain a copy from the takaful agent or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

ABC Takaful Berhad
Address:
Tel:
Fax:
E-mail:

11. Other types of houseowner / householder takaful cover available

- abc
- xyz

IMPORTANT NOTE:

YOU MUST ENSURE THAT YOUR PROPERTY IS COVERED AT THE APPROPRIATE AMOUNT. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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E. Personal Accident Takaful

<p>PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to participate in the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>Personal Accident Takaful</i></p> <p><Date></p>				
<p>1. What is this product about?</p> <p>This certificate provides compensation in the event of injuries, disability or death caused solely by violent, accidental, external and visible events.</p>					
<p>2. What are the Shariah concepts applicable?</p> <ul style="list-style-type: none"> Between participants of the takaful fund for mutual financial assistance; and Between the takaful operator and participants in managing the takaful funds. 					
<p>3. What are the covers / benefits provided?</p> <ul style="list-style-type: none"> Accidental death – RMxx Permanent disablement; Temporary total or partial disablement; <p><i>(To indicate any other additional cover provided.)</i></p> <p>Note: Please refer to the scale of benefits for death and disablement in the sample takaful certificate.</p> <p>Duration of cover is for one year. You need to renew your takaful cover annually.</p>					
<p>4. How much contribution do I have to pay ?</p> <p>The total contribution that you have to pay may vary depending on the underwriting requirements of the takaful operator:</p> <ul style="list-style-type: none"> Standard cover: RMxx Additional cover: RMxx <p>The total contribution that you have to pay is: RMxx</p>					
<p>5. What are the fees and charges that I have to pay?</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 40%;">Type</th><th style="width: 60%;">Amount</th></tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Wakalah fees Stamp Duty <p><i>(To indicate other charges if applicable.)</i></p> </td><td> <ul style="list-style-type: none"> Y% of contribution or RMxx of which: <ul style="list-style-type: none"> ➢ Commission – 25% or RMxx ➢ Other expenses – y% or RMxx RMxx </td></tr> </tbody> </table>		Type	Amount	<ul style="list-style-type: none"> Wakalah fees Stamp Duty <p><i>(To indicate other charges if applicable.)</i></p>	<ul style="list-style-type: none"> Y% of contribution or RMxx of which: <ul style="list-style-type: none"> ➢ Commission – 25% or RMxx ➢ Other expenses – y% or RMxx RMxx
Type	Amount				
<ul style="list-style-type: none"> Wakalah fees Stamp Duty <p><i>(To indicate other charges if applicable.)</i></p>	<ul style="list-style-type: none"> Y% of contribution or RMxx of which: <ul style="list-style-type: none"> ➢ Commission – 25% or RMxx ➢ Other expenses – y% or RMxx RMxx 				
<p>6. What are some of the key terms and conditions that I should be aware of?</p> <p>Importance of disclosure – you must disclose all material facts such as your occupation and your personal pursuits which would affect the risk profile and number of personal accident certificates that you have participated from other takaful operators.</p> <p><i>(To highlight other key terms and conditions, e.g. claims procedures, etc.)</i></p>					

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7. What are the major exclusions under this certificate?

This certificate does not cover death or injury caused by the following events:

- War risks;
- Suicide and insanity;
- Self inflicted injury;
- AIDS;
- Provoked murder or assault;
- **Engaging in military, naval, air force, police or fire service duties** and
- Hazardous sports.

(To highlight other major exclusions including exclusion of certain occupations.)

Note:

This list is non-exhaustive. Please refer to the sample takaful certificate for the full list of exclusion under this certificate.

8. Can I cancel my certificate?

You may cancel your certificate by giving written notice to the takaful operator. Upon cancellation, you are entitled to a partial refund on the takaful contribution.

9. What do I need to do if there are changes to my contact / personal details?

It is important that you inform us of any change in your life profile including your occupation and personal pursuits which would affect the risk profile.

10. Where can I get further information?

Should you require additional information about personal accident takaful, please refer to the *insuranceinfo* booklet on 'Personal Accident Takaful', available at all our branches or you can obtain a copy from the takaful agent or visit www.insuranceinfo.com.my

If you have any enquiries, please contact us at:

ABC Takaful Berhad

Address:

Tel:

Fax:

E-mail:

11. Other types of Personal Accident takaful cover available

Please ask the takaful operator / intermediary for other similar types of plans offered by the takaful operator

IMPORTANT NOTE:

YOU ARE ADVISED TO NOTE THE SCALE OF BENEFITS FOR DEATH AND DISABLEMENT IN YOUR TAKAFUL CERTIFICATE. YOU MUST NOMINATE A NOMINEE AND ENSURE THAT YOUR NOMINEE IS AWARE OF THE PERSONAL ACCIDENT TAKAFUL CERTIFICATE THAT YOU HAVE PARTICIPATED. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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F. Medical and Health Takaful

<p>PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to participate in the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product> <i>Hospitalisation and Surgical Takaful</i></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This certificate provides for hospitalisation and surgical expenses incurred due to illnesses covered under the certificate.</p>	
<p>2. What are the Shariah concepts applicable?</p>	
<ul style="list-style-type: none"> Between participants of the takaful fund for mutual financial assistance; and Between the takaful operator and participants in managing the takaful funds. 	
<p>3. What are the covers / benefits provided?</p>	
<ul style="list-style-type: none"> Hospital room and board – RMxx per day; Surgical expenses: RMxx; and Reimbursement of medical expenses up to: <ul style="list-style-type: none"> Annual limit on benefits payable – RMxx Aggregate lifetime limit on benefits payable – RMxx <p>You may extend the certificate to provide the following benefits by paying additional contribution:</p> <ul style="list-style-type: none"> Outpatient treatment; Ambulance services; and Accidental death benefits. <p>(To indicate any other additional cover provided.)</p> <p>Duration of cover is for one year. You need to renew your cover annually.</p>	
<p>4. How much contribution do I have to pay?</p>	
<p>The total contribution that you have to pay may vary depending on the underwriting requirements of the takaful operator:</p> <ul style="list-style-type: none"> Standard cover: RMxx Additional cover: RMxx <p>The estimated total contribution that you have to pay is: RMxx</p> <p>(To indicate whether contribution rates may vary and the factors likely to result in contribution adjustments on renewal.)</p>	
<p>5. What are the fees and charges that I have to pay?</p>	
Type	Amount
<ul style="list-style-type: none"> Wakalah fees Stamp Duty <p>(To indicate other charges if applicable.)</p>	<ul style="list-style-type: none"> Y% of contribution or RMxx of which: <ul style="list-style-type: none"> Commission – 15% or RMxx Other expenses – y% or RMxx RMxx

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6. What are some of the key terms and conditions that I should be aware of?

- Importance of disclosure – you must disclose all material facts such as medical condition, and state your age correctly.
- Free-look period – you may cancel your certificate by returning the certificate within 15 days after the certificate has been delivered to you. The contributions that you have paid (less any medical fee incurred) will be refunded to you.
- Qualifying / waiting period - the eligibility for benefits under the certificate will only start [30] days after the effective date of the certificate.
- Unless renewed, the coverage will cease on expiry date and the takaful operator must strictly not be liable for any expenses that take place after the expiry date.
- Co-takaful - you will have to pay [x %] of the total costs incurred.

(To highlight other key terms and conditions, e.g. claims procedures, etc.)

7. What are the major exclusions under this certificate?

This certificate does not cover:

- Pre-existing conditions and specified illness;
- Maternity;
- Congenital abnormalities;
- Accidental injuries or illnesses arising from racing;
- Cosmetic or plastic surgery; and
- Dental work or treatment including oral surgery.

(To highlight other major exclusions.)

Note: This list is non-exhaustive. Please refer to the takaful certificate for the full list of exclusions under this certificate.

8. Can I cancel my certificate?

You may cancel your certificate by giving a written notice to the takaful operator. Upon cancellation, you are entitled to a certain amount of refund of the contribution provided that you have not made a claim under the certificate.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10. Where can I get further information?

Should you require additional information about medical and health takaful, please refer to the *insuranceinfo* booklet on 'Medical and Health Takaful', available at all our branches or you can obtain a copy from the takaful agent or visit www.insurance.com.my

If you have any enquiries, please contact us at:

ABC Takaful Berhad

Address:

Tel:

Fax:

E-mail:

11. Other similar types of medical and health takaful cover available

Please ask the takaful operator / intermediary for other similar types of plans offered by the takaful operator

IMPORTANT NOTE:

YOU SHOULD SATISFY YOURSELF THAT THIS CERTIFICATE WILL BEST SERVE YOUR NEEDS. YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE AGENT OR CONTACT THE TAKAFUL OPERATOR DIRECTLY FOR MORE INFORMATION.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

SCHEDULE V

PAYMENT INSTRUMENTS

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SCHEDULE V : PAYMENT INSTRUMENTS

The disclosure requirements of this section are applicable to FSPs that offer conventional payment products covered in the Guidelines.

FSPs to refer to the Credit Card Guidelines for disclosure requirements on credit cards.

1. Charge Cards

1.1 Pre-contractual stage

- a. Basic features
 - The FSP should inform the customer of the basic features of the charge card.
- b. Fees and charges
 - The customer should be informed of all applicable fees and charges in relation to the charge card, including the amount and frequency of payment.
- c. Placement of collateral
 - The FSP should inform the relevant customer, who complies with the minimum requirements but is unable to provide documented evidence of income, of any requirement for collateral and any other associated terms.
- d. Promotional items
 - The customer should be made aware of the conditions tied to any promotional item and the penalty for not complying with such conditions, if any.
- e. Disclosure by intermediary
 - The FSP's sales and marketing representative contacting the consumer must identify the FSP being represented.

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- The sales and marketing representative must describe the key terms, benefits and risks of the card product being offered.

1.2 At the point of entering into a contract

a. Terms and conditions

- The FSP is required to make readily available to the customer written terms and conditions of the charge card service. The document should contain a concise but clear description of the major terms and conditions which impose liabilities or obligations on the part of the customer.
- The FSP should advise the customer to read and understand the terms and conditions before signing the agreement and using the charge card. The FSP should take reasonable steps to draw customer's attention to the terms that have implications on liability.

b. Terms of repayment

- The FSP should highlight to the customer that the outstanding balance for the charge card account must be paid in full by the payment due date and there will be no interest charged.

c. Late payment charge

- The customer should be informed of the FSP's right to impose charges for failure to pay the outstanding balance in full by the payment due date. The FSP should disclose when the charges will be imposed, the minimum and maximum charges as well as the computation.

d. Right to set-off

- It should be made transparent to the customer if the FSP has the right to set-off any credit balance in the customer's deposit account against any debit balance in the charge card account.

e. Liability of principal and supplementary cardholders

- The FSP should ensure that the customer is made aware of the liability applicable to the principal and supplementary cardholder, that is a

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principal cardholder is responsible for the transactions made by a supplementary cardholder.

f. Cash advance

- If cash advance facility is available to the customer, the FSP should disclose the daily withdrawal limit, the relevant fees, including the amount of minimum charge.

g. Usage of charge card outside Malaysia

- The customer should be informed of the relevant charges for retail transactions made outside Malaysia.
- The customer should also be informed of the transaction fees and currency conversion fees applicable to the use of the charge card for making cash withdrawals overseas.

h. Liability for unauthorised transactions

- The FSP should highlight to the customer of the obligation to take reasonable steps to protect the charge card and PIN. The customer should be advised not to disclose the PIN or charge card details to any unauthorised party.
- The customer should be warned, through clear and prominent notice, of any liability for losses arising from the customer's act of gross negligence and/or failure to notify the FSP immediately after finding that the charge card is lost or stolen, or when the customer suspects that an unauthorised transaction has been conducted using the customer's account.
- The FSP is expected to inform the customer of the circumstances leading to liability for losses resulting from an unauthorised transaction. The customer should also be informed of the maximum liability for any unauthorised transaction(s).
- Should there be any limit on the FSP's liability for loss, the customer must be clearly informed to avoid unnecessary disputes.

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- i. Change of contact details
 - The customer should be informed of the importance of notifying the FSP of any change in contact details.

1.3 Disclosure during the term of the contract

- a. Monthly statement
 - The FSP should provide a monthly statement to the customer indicating the outstanding balance, the amount credited and charged, including interest and other non-interest charges, and the dates when those amounts were posted to the account.
- b. Change in fees and charges
 - Any change in fees and charges applicable to the charge card account should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
- c. Change to the terms and conditions
 - Should there be any change in the terms and conditions, the FSP should provide at least 21 calendar days notice to the customer before the new terms and conditions take effect. Communication could be done through monthly statements or electronically to the customer.
- d. Intention to set-off
 - The customer should be informed at least 7 calendar days in advance on the FSP's intention to set-off a credit balance in the customer's deposit account against a debit balance in the charge card account.
- e. Delinquent account
 - It should be transparent to the customer that the FSP reserves the right to terminate the customer's charge card in the event of consecutive defaults in the monthly repayment.

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- The FSP should ensure that the customer is given sufficient reminders to update the charge card account and also be warned about possible actions the FSP may take if reminders to update the account are ignored.
- The customer should be informed at least 7 calendar days in advance if the collection of debt for the account is to be outsourced to a third party debt collection agency. This notification time frame also applies to the customer whose account has been classified as NPL and sold to a third party. In this regard, the FSP should notify the affected the customer within 7 calendar days of obtaining a vesting order from the Court.
- The FSP should inform the customer the impact on the customer's rights and obligations after the account has been transferred to a third party debt collection agency or sold to a third party.
- Under specific circumstances where the customer is not contactable, the FSP is considered to have fulfilled the obligation if such notice has been sent to the last known address of the customer at least 7 calendar days in advance.
- The FSP should provide the customer with the name and contact details of the appointed third party debt collection agency or the third party to whom the NPL has been sold.
- The FSP should also inform the customer of the services of Agensi Kaunseling Dan Pengurusan Kredit by inserting the note below in all reminders sent to the customer (disclosure in less than 8-point font is not allowed):

English version

"Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. For enquiry, please call 1-800-88-2575".

Bahasa Malaysia version

"Agensi Kaunseling Dan Pengurusan Kredit telah ditubuhkan oleh Bank Negara Malaysia untuk menyediakan perkhidmatan pengurusan kewangan, kaunseling kredit, pendidikan kewangan dan penstrukturan

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semula pinjaman secara percuma kepada individu. Untuk pertanyaan, sila hubungi talian 1-800-88-2575”.

2. Debit Cards

2.1 Pre-contractual stage

- a. Basic features
 - The FSP should inform the customer of the basic features of the debit card.
- b. Fees and charges
 - The customer should be informed of all applicable fees and charges in relation to the debit card, including the amount and frequency of payment.
- c. Promotional items
 - The customer should be made aware of the conditions tied to any promotional item and the penalties for not complying with such conditions, if any.

2.2 At the point of entering into a contract

- a. Terms and conditions
 - The FSP is required to make readily available to the customer written terms and conditions for usage of the debit card. The document should contain a concise but clear description of the major terms and conditions which impose liabilities or obligations on the part of the customer.
 - The FSP should advise the customer to read and understand the terms and conditions before signing the agreement and using the debit card. The FSP should take reasonable steps to draw customer's attention to the terms that have implications on liability.
- b. Usage of debit card outside Malaysia
 - The customer should be informed of the relevant charges for retail transactions made outside Malaysia.

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c. Liability for unauthorised transaction

- The FSP should highlight to the customer the obligation to take reasonable steps to protect the debit card and PIN. The customer should be advised not to disclose the PIN or debit card details to anyone.
- The customer should be warned, through clear and prominent notices, of any liability for losses arising from the customer's act of gross negligence and/or failure to notify the FSP as soon as reasonably practicable after finding that the debit card is lost or stolen, or when the customer suspects that unauthorised transaction has been conducted using the customer's account.
- The FSP is expected to inform the customer of the circumstances leading to liability for losses resulting from any unauthorised transaction(s).
- Should there be any limit on the FSP's liability for loss, the customer must be clearly informed to avoid unnecessary disputes.

d. Change of contact details

- The customer should be informed of the importance of notifying the FSP of any change in contact details.

2.3 Disclosure during the term of the contract

a. Periodic statement

- For any account without a passbook, the FSP should provide periodic statements to the customer containing information on transaction records and the dates when those amounts were posted to the account.

b. Change in fees and charges

- Any change in fees and charges applicable to the debit card account should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.

c. Change to the terms and conditions

- Should there be any change in the terms and conditions, the FSP should provide at least 21 calendar days notice to the customer before the new

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terms and conditions take effect. Communication could be done through monthly statements or electronically to the customer.

3. Electronic Money

3.1 Pre-contractual stage

a. Basic features

- The FSP should inform the customer of the basic features of the electronic money (e-money) instrument.

b. Fees and charges

- The customer should be informed of all applicable fees and charges in relation to the e-money instrument, the amount and frequency of payment.

c. Disclosure by intermediary

- The FSP's sales and marketing representative contacting the consumer must identify FSP being represented.
- The sales and marketing representative must describe the key terms, benefits and risks of the e-money instrument being offered.

3.2 At the point of entering into a contract

a. Terms and conditions

- The FSP is required to make readily available to the customer written terms and conditions of the e-money instrument. The document should highlight the major terms and conditions.
- The FSP should advise the customer to read and understand the terms and conditions before signing the agreement. The FSP should take reasonable steps to draw the customer's attention to the terms that have implication on the customer's liabilities or obligations.

b. Usage of e-money instrument outside Malaysia

- The customer should be informed of the relevant charges for retail transactions made outside Malaysia.

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- c. Liability for lost, stolen and malfunction of e-money instrument
 - The FSP should highlight to the customer the obligation to take reasonable steps to protect the e-money instrument and PIN. The customer should be advised not to disclose the PIN or e-money instrument details to any unauthorised party.
 - The FSP should inform that the FSP is not liable for any losses due to the negligence of the customer.
- d. Refund policy
 - It should be transparent to the customer the circumstances under which the credit balance in the e-money instrument will be refunded, the time frame required for requesting a refund as well as the applicable fees and charges.

3.3 Disclosure during the term of the contract

- a. Change in fees and charges
 - Any change in fees and charges applicable to the e-money instrument should be communicated to cardholders at least 21 calendar days prior to the effective date of implementation.
- b. Change to the terms and conditions
 - Should there be any change in the terms and conditions, the FSP should provide at least 21 calendar days notice to the customer, before the new terms and conditions take effect. Communication could be done through written and electronic notification and through websites.

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Appendix I Requirement for Product Disclosure Sheet

Type of Product	Requirement for Product Disclosure Sheet	
	Yes	No
Credit Cards	✓ (to refer to the Credit Card Guidelines)	
Charge Cards	✓	
Debit Cards	✓	
E-Money Instruments	✓	
Other products	✓	

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Appendix II Product Disclosure Sheet Samples

A. Charge Card

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This is a charge card with a preset limit that can be used to make payments for goods and services at participating merchants either, locally or internationally.</p>	
<p>2. What are my obligations?</p>	
<ul style="list-style-type: none"> Outstanding balance must be settled in full by due date. 	
<p>3. What are the fees and charges I have to pay?</p>	
<ul style="list-style-type: none"> Annual fee Joining fee; if any Cash advance fee Card replacement fee Overseas transaction conversion fee Sales draft retrieval fee Additional statement request fee Other fees and charges 	
<p>4. What if I fail to fulfil my obligations?</p>	
<ul style="list-style-type: none"> Late payment penalty charges: 3% per month (or 36% per annum) on outstanding balance or a minimum of RM5. Right to set-off: We have/do not have the right to set-off any credit balance in your account maintained with us against any outstanding balance in this credit card account. Liability for unauthorised transactions. <p><i>(To highlight other key terms and conditions.)</i></p>	
<p>5. What are the major risks?</p>	

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You are required to settle the full amount by the due date. If you do not settle the full amount, you would incur higher interest rate charges on the charge card balances compared to credit card. Think about your repayment capacity when charging the charge card.

If you have problems paying for your charge card balances, contact us early to discuss repayment alternatives.

You should notify us immediately after having found that your charge card is lost or stolen.

6. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

7. Where can I get further information?

Should you require additional information on charge cards, please refer to the *bankinginfo* booklet on 'Charge Cards', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad
Address :
Tel:
Fax:
E-mail:

8. Other charge card products available

- abc
- xyz

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR CHARGE CARD BALANCES.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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B. Debit Card

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This is a debit card, a payment instrument which allows you to pay for goods and services from your deposit account at participating retail and service outlets. You are required to maintain a deposit account with us, to be linked to your debit card. If you close your deposit account maintained with us, your debit card will be automatically cancelled.</p>	
<p>2. What are the fees and charges I have to pay?</p>	
<ul style="list-style-type: none"> • Annual fee • Domestic ATM withdrawal fee • Overseas transaction conversion fee • Card replacement fee • Sales draft retrieval fee • Additional statement request fee • Others 	
<p>3. What if I fail to fulfil my obligations?</p>	
<ul style="list-style-type: none"> • Your liability for unauthorised transactions. (To highlight other key terms and conditions.) 	
<p>4. What are the major risks?</p>	
<p>Your card being stolen or lost. You should notify us immediately after having found that your debit card is lost or stolen.</p>	
<p>5. What do I need to do if there are changes to my contact details?</p>	
<p>It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.</p>	
<p>6. Where can I get further information?</p>	
<p>If you have any enquiries, please contact us at: ABC Bank Berhad Address : Tel: Fax: E-mail:</p>	
<p>7. Other debit card packages available</p>	
<ul style="list-style-type: none"> • abc • xyz 	

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C. E-Money

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)	<Name of Financial Service Provider> <Name of Product> <Date>
1. What is this product about?	
This is an e-money instrument, which contains a monetary value which has been pre-loaded by the issuer. The value will be deducted from the amount stored in the card whenever purchases are made. You are required to pre-load the card before making purchases. This e-money instrument is co-branded with xxx company, hence, purchases can only be made at participating outlets.	
2. What are the fees and charges I have to pay?	
<ul style="list-style-type: none"> • Annual fee • Joining fee; if any • Card replacement fee • Domestic ATM withdrawal fee • Overseas transaction conversion fee • Sales draft retrieval fee • Other fees and charges 	
3. What are the key terms of this product?	
<ul style="list-style-type: none"> • To highlight key terms and conditions. 	
4. What are the major risks?	
Your card being stolen or lost. You should notify us immediately after having found that your card is lost or stolen.	
5. What do I need to do if there are changes to my contact details?	
It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.	
6. Where can I get further information?	
If you have any enquiries, please contact us at: ABC Bank Berhad Address : Tel: Fax: E-mail:	
7. Other e-money products available	
<ul style="list-style-type: none"> • xyz 	

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

SCHEDULE VI

ISLAMIC PAYMENT INSTRUMENTS

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SCHEDULE VI : ISLAMIC PAYMENT INSTRUMENTS

The disclosure requirements of this section are applicable to FSPs that offer Islamic payment products covered in the Guidelines.

FSPs to refer to the Credit Card-i Guidelines for disclosure requirements on credit cards-i.

1. Charge Cards-i

1.1 Pre-contractual stage

a. Basic features

- The FSP should inform the customer the basic features of the charge card-i, including the underlying Shariah concept applicable to the charge card-i.

b. Fees and charges

- The customer should be informed of all applicable fees and charges in relation to the charge card-i, including the amount and frequency of payment.

c. Placement of collateral

- The FSP should inform the relevant customer, who complies with the minimum requirements but is unable to provide documented evidence of income, of any requirement for collateral and any other associated terms.

d. Promotional items

- The customer should be made aware of the conditions tied to any promotional item and the penalty for not complying with such conditions, if any.

e. Disclosure by intermediary

- The FSP's sales and marketing representative when contacting the consumer must clearly identify the FSP being represented.

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- The sales and marketing representative must describe the key terms, benefits and risks of the card product being offered.

1.2 At the point of entering into a contract

a. Terms and conditions

- The FSP is required to make readily available to the customer written terms and conditions of the charge card-i service. The document should contain a concise but clear description of the major terms and conditions which impose liabilities or obligations on the part of the customer.
- The FSP should advise the customer to read and understand the terms and conditions before signing the agreement and using the charge card-i. The FSP should take reasonable steps to draw customer's attention to the terms that have implications on liability.

b. Terms of repayment

- The FSP should highlight to the customer that the outstanding balance for the charge card-i account must be paid in full by the payment due date and there will be no additional charge imposed.

c. Compensation fee / charge

- The customer should be informed of the FSP's right to impose compensation fee / charge for failure to pay the outstanding balance in full by the payment due date. The FSP should disclose when the compensation fee / charge will be imposed, the minimum and maximum compensation fee / charge as well as the computation.

d. Right to set-off

- It should be made transparent to the customer if the FSP has the right to set-off any credit balance in the customer's deposit account against any debit balance in the charge card-i account.

e. Liability of principal and supplementary cardholders

- The FSP should ensure that the customer is made aware of the liability applicable to the principal and supplementary cardholder, that is a

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principal cardholder is responsible for the transactions made by a supplementary cardholder.

f. Cash advance

- If cash advance facility is available to the customer, the FSP should disclose the daily withdrawal limit, the relevant fees, including the amount of minimum charge.

g. Usage of charge card-i outside Malaysia

- The customer should be informed of the relevant charges for retail transactions made outside Malaysia.
- The customer should also be informed of the transaction fees and currency conversion fees applicable to the use of the charge card-i for making cash withdrawals overseas.

h. Liability for unauthorised transactions

- The FSP should highlight to the customer the obligation to take reasonable steps to protect the charge card-i and PIN. The customer should be advised not to disclose the PIN or charge card-i details to any unauthorised party.
- The customer should be warned, through clear and prominent notice, of any liability for losses arising from customer's act of gross negligence and/or failure to notify the FSP immediately after finding that the charge card-i is lost or stolen, or when the customer suspects that an unauthorised transaction has been conducted using the customer's account.
- The FSP is expected to inform the customer of the circumstances leading to liability for losses resulting from an unauthorised transaction. The customer should also be informed of the maximum liability for any unauthorised transaction(s).
- Should there be any limit on the FSP's liability for loss, the customer must be clearly informed to avoid unnecessary disputes.

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- i. Change of contact details
 - The customer should be informed of the importance of notifying the FSP of any change in contact details.

1.3 Disclosure during the term of the contract

- a. Monthly statement
 - The FSP should provide a monthly statement to the customer indicating the outstanding balance, the amount credited and charged, including any other additional charges, and the dates when those amounts were posted to the account.
- b. Change in fees and charges
 - Any change in fees and charges applicable to the charge card-i account should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.
- c. Change to the terms and conditions
 - Should there be any change in the terms and conditions (that does not affect the validity of the contract), the FSP should provide at least 21 calendar days notice to the customer before the new terms and conditions take effect. Communication could be done through monthly statements or electronically to the customer.
- d. Intention to set-off
 - The customer should be informed at least 7 calendar days in advance on the FSP's intention to set-off a credit balance in the customer's deposit accounts against a debit balance in the charge card-i account.
- e. Delinquent account
 - It should be transparent to the customer that the FSP reserves the right to terminate the customer's charge card-i in the event of consecutive defaults in the monthly repayment.
 - The FSP should ensure that the customer is given sufficient reminders to update the charge card-i account and should also be warned about

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possible actions the FSP may take if reminders to update the account are ignored.

- The customer should be informed at least 7 calendar days in advance if the collection of debt for the account is to be outsourced to a third party debt collection agency. This notification time frame also applies to the customer whose account has been classified as NPF and sold to a third party. In this regard, the FSP should notify the affected customer within 7 calendar days of obtaining a vesting order from the Court.
- The FSP should inform the customer the impact on the customer's rights and obligations after the account has been transferred to a third party debt collection agency or sold to a third party.
- Under specific circumstances where the customer is not contactable, the FSP is considered to have fulfilled the obligation if such notice has been sent to the last known address of the customer at least 7 calendar days in advance.
- The FSP should provide the customer with the name and contact details of the appointed third party debt collection agency or the third party to whom the NPF has been sold.
- The FSP should also inform the customer of the services of Agensi Kaunseling Dan Pengurusan Kredit by inserting the note below in all reminders sent to the customer (disclosure in less than 8-point font is not allowed):

English version

“Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. For enquiry, please call 1-800-88-2575”.

Bahasa Malaysia version

“Agensi Kaunseling Dan Pengurusan Kredit telah ditubuhkan oleh Bank Negara Malaysia untuk menyediakan perkhidmatan pengurusan kewangan, kaunseling kredit, pendidikan kewangan dan penstrukturan

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semula pembiayaan secara percuma kepada individu. Untuk pertanyaan, sila hubungi talian 1-800-88-2575”.

2. Debit Cards-i

2.1 Pre-contractual stage

- a. Basic features
 - The FSP should inform the customer of the basic features of the debit card-i, including the underlying Shariah concepts applicable to the debit card-i.
- b. Fees and charges
 - The customer should be informed of all applicable fees and charges in relation to the debit card-i, including the amount and frequency of payment.
- c. Promotional items
 - The customer should be made aware of the conditions tied to any promotional item and the penalties for not complying with such conditions, if any.

2.2 At the point of entering into a contract

- a. Terms and conditions
 - The FSP is required to make readily available to the customer written terms and conditions for usage of the debit card-i. The document should contain a concise but clear description of the major terms and conditions which impose liabilities or obligations on the part of the customer.
 - The FSP should advise the customer to read and understand the terms and conditions before signing the agreement and using the debit card-i. The FSP should take reasonable steps to draw customer's attention to the terms that have implications on liability.
- b. Usage of *debit card-i* outside Malaysia

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- The customer should be informed of the relevant charges for retail transactions made outside Malaysia.
- c. Liability for unauthorised transaction
- The FSP should highlight to the customer the obligation to take reasonable steps to protect the debit card-i and PIN. The customer should be advised not to disclose the PIN or debit card-i details to anyone.
 - The customer should be warned, through clear and prominent notices, of any liability for losses arising from the customer's act of gross negligence and/or failure to notify the FSP as soon as reasonably practicable after finding that the debit card-i is lost or stolen, or when the customer suspects that an unauthorised transaction has been conducted using the customer's account.
 - The FSP is expected to inform the customer of the circumstances leading to liability for losses resulting from any unauthorised transaction.
 - Should there be any limit on the FSP's liability for loss, the customer must be clearly informed to avoid unnecessary disputes.
- d. Change of contact details
- The customer should be informed of the importance of notifying the FSP of any change in contact details.

2.3 Disclosure during the term of the contract

- a. Periodic statement
- For any account without a passbook, the FSP should provide periodic statements to the customer containing information on transaction records and the dates when those amounts were posted to the account.
- b. Change in fees and charges
- Any change in fees and charges applicable to the debit card-i account should be communicated to the customer at least 21 calendar days prior to the effective date of implementation.

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- c. Change to the terms and conditions
- Should there be any change in the terms and conditions (that does not affect the validity of the contract), the FSP should provide at least 21 calendar days notice to the customer before the new terms and conditions take effect. Communication could be done through monthly statements or electronically to the customer.

Appendix I Requirement for Product Disclosure Sheet

Type of Product	Requirement for Product Disclosure Sheet	
	Yes	No
Credit Cards-i	✓ (to refer to the Credit Card-i Guidelines)	
Charge Cards-i	✓	
Debit Cards-i	✓	
Others	✓	

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Appendix II Product Disclosure Sheet Samples

A. Charge Card-i

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This is a charge card-i with a preset limit that can be used to make payments for goods and services at participating merchants either, locally or internationally.</p>	
<p>2. What are my obligations?</p>	
<ul style="list-style-type: none"> Outstanding balance must be settled in full by due date. 	
<p>3. What are the fees and charges I have to pay?</p>	
<ul style="list-style-type: none"> Annual fee Joining fee; if any Cash advance fee Card replacement fee Overseas transaction conversion fee Sales draft retrieval fee Additional statement request fee Other fees and charges 	
<p>4. What if I fail to fulfil my obligations?</p>	
<ul style="list-style-type: none"> Compensation fee / charge: 3% per month (or 36% per annum) on outstanding balance or a minimum of RM5. Right to set-off: We have/do not have the right to set-off any credit balance in your account maintained with us against any outstanding balance in this <i>charge card-i</i> account. Liability for unauthorised transactions. <p>(To highlight other key terms and conditions.)</p>	

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5. What are the major risks?

You are required to settle the full amount by the due date. If you do not settle the full amount, you would incur higher charges on the charge card-i balances compared to credit card-i. Think about your repayment capacity when charging the charge card-i.

If you have problems paying for your charge card-i balances, contact us early to discuss repayment alternatives.

You should notify us immediately after having found that your charge card-i is lost or stolen.

6. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

7. Where can I get further information?

Should you require additional information on charge cards-i, please refer to the bankinginfo booklet on 'Charge Cards', available at all our branches and the www.bankinginfo.com.my website.

If you have any enquiries, please contact us at:

ABC Bank Berhad

Address :

Tel:

Fax:

E-mail:

8. Other charge card-i products available

- abc
- xyz

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR CHARGE CARD-i BALANCES.

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

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B. Debit Card-i

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.)</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>This is a debit card-i, a payment instrument which allows you to pay for goods and services from your deposit account at participating retail and service outlets. You are required to maintain a deposit account with us, to be linked to your debit card-i. If you close your deposit account maintained with us, your debit card-i will be automatically cancelled.</p>	
<p>2. What are the fees and charges I have to pay?</p>	
<ul style="list-style-type: none"> • Annual fee • Domestic ATM withdrawal fee • Overseas transaction conversion fee • Card replacement fee • Sales draft retrieval fee • Additional statement request fee • Others 	
<p>3. What if I fail to fulfil my obligations?</p>	
<ul style="list-style-type: none"> • Your liability for unauthorised transactions. (To highlight other key terms and conditions.) 	
<p>4. What are the major risks?</p>	
<p>Your card being stolen or lost. You should notify us immediately after having found that your debit card-i is lost or stolen.</p>	
<p>5. What do I need to do if there are changes to my contact details?</p>	
<p>It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.</p>	
<p>6. Where can I get further information?</p>	
<p>If you have any enquiries, please contact us at: ABC Bank Berhad Address : Tel: Fax: E-mail:</p>	
<p>7. Other debit card-i packages available</p>	
<ul style="list-style-type: none"> • abc • xyz 	

The information provided in this disclosure sheet is valid as at or until dd/mm/yy.

SCHEDULE VII

REMITTANCE SERVICES

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SCHEDULE VII : REMITTANCE SERVICES

The disclosure requirements of this section are applicable to the FSPs that offer remittance services. FSPs should provide the following information to consumers in easily accessible and understandable manner.

1. Remittance Services

- a. General description
 - The FSP should provide the customer on the details of the services on offer to enable the customer to make informed decisions about which services to use. The information should be provided in easily accessible and understandable forms.
- b. Remitting and receiving funds
 - The customer should be informed about the modes of remitting and receiving funds, including how the money will be transmitted to the beneficiary and whether the beneficiary is required to be personally present to collect the money remitted.
- c. Amount
 - It should be made clear to the customer about the amount that will be paid by the customer and the amount in disbursing currency that will be paid to the beneficiary.
- d. Fees, charges and exchange rate
 - There should be clear information about all applicable fees and charges imposed on remittance services, including fees imposed by the disbursing remittance service provider and the applicable exchange rate.
- e. Time and location
 - The FSP should disclose to the customer the estimated time it will take for the funds to reach the beneficiary and the location where the funds are available for collection by the beneficiary.

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- f. Problems encountered in the transmission process
- Any delay or inability of the FSP to execute remittance requests should be communicated to the customer as soon as reasonably practicable.
 - The FSP should inform the customer of the procedures to be followed in the event of a dispute.
 - The FSP should also inform the customer of the procedures on unclaimed money.

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Appendix I Requirement for Product Disclosure Sheet

Type of Product	Requirement for Product Disclosure Sheet	
	Yes	No
Remittance Services		✓