

FOR IMMEDIATE RELEASE

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FISCA – MAS Regulations on Investment Products

The Financial Services Consumer Association (FISCA) was recently established to educate consumers about financial matters and to guide them on the choice of suitable financial products for their long term investments.

FISCA wishes to express our support for the following proposed regulations by the Monetary Authority of Singapore on the sale of investment products to retail consumers:

- a) Financial institution to ensure marketing and advertising materials is "fair and balanced"
- b) Financial institution to provide simplified product disclosure document
- c) Provide institution to provide cooling off period (7 days)

We understand that it will be a challenge to agree on what is "fair and balanced" as it may differ from the perspective of the seller and the buyer. FISCA will make our contribution from the perspective of consumers.

FISCA is strongly in favour of the simplified product disclosure document, which has to be not more than four pages and to be in a question and answer format.

To improve the impact of this approach, we suggest that the simplified product disclosure documents should be posted on the MAS website, to allow consumers to compare similar products offered by financial institutions

This comparison will make it easy for independent experts to analyse the product from the perspective of consumers and compensate for the relative weaker position of consumers in understanding the fairness of the terms of the product. FISCA will happy to organise the independent experts to provide this service and to publish the findings in our website, www.fisca.sg.

FISCA strongly welcomes the introduction of a cooling off period. We hope that it can be increased to 14 days, as has been practised for the sale of life insurance products.

The MAS regulation is stated to be for "investment products" and is stated to include "life insurance products". FISCA believes that term insurance and health insurance products are not investment products and should be specifically excluded, for the avoidance of any doubt. There is no need for a financial adviser to be involved in the sale of these products, as this would significantly add to the cost of these non-investment products. I hope that MAS can clarify on this matter.

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