

LEGAL NOTICE NO. ____ OF 2026

THE FINANCIAL SERVICES REGULATORY AUTHORITY ACT, 2010
(Act No. 2 of 2010)

MARKET CONDUCT (GENERAL) RULES, 2026
(Under Section 49 of the Financial Services Regulatory Authority Act, 2010)

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PART I - SCOPE, PURPOSE, AND APPLICATION

Definitions

1. For purposes of these Rules, unless the context otherwise requires, the following words shall have the following meaning:

“Authority” means the Financial Services Regulatory Authority established under section 3 of the Financial Services Regulatory Authority Act, 2010.

“Agent” means a person, whether natural or legal, authorised by a financial services provider to act on its behalf in the distribution, marketing, servicing, or administration of financial products or services.

“Alternative Dispute Resolution Scheme” means a mechanism, process, or body established to resolve disputes between consumers and financial services providers outside the formal court system.

“Board” means the board of directors, trustees, or equivalent governing body of a financial services provider, responsible for the oversight and governance of the institution.

“Collective Investment Scheme” means an arrangement in terms of which funds from members of the public are pooled and managed collectively for the purpose of investment, in accordance with defined investment objectives.

“Conflict of Interest” means a situation in which a financial services provider, its directors, senior management, employees, representatives, agents, or related parties have interests that may improperly influence, or appear to influence, the objective and fair performance of their duties to consumers.

“Consumer” means any natural or legal person who uses, has used, or may reasonably be expected to use a financial product or service offered by a financial services provider.

“Consumer Assets” means money, securities, investments, or any other assets belonging to a consumer that are held, administered, managed, or controlled by a financial services provider or its agents.

“Credit & Savings Institution” means a non-bank financial institution that provides credit and/or savings products, including building societies, savings and credit cooperative organisations, and similar institutions regulated under non-bank financial services laws.

“Disclosure” means the provision of information to consumers in a clear, accurate, timely, and understandable manner to enable informed decision-making throughout the product life cycle.

“Financial Inclusion” means access to and usage of an adequate suite of appropriate, safe, convenient and affordable financial services and products by all individuals, including households and entities that would benefit from such services.

“Financial Services Provider” means a non-bank financial services provider licensed, registered, or regulated by the Authority in terms of applicable financial services laws.

“Key Facts Statement” means a concise, plain-language document summarising the essential terms, features, costs, risks, and conditions of a financial product or service.

“Market Conduct” means the manner in which a financial services provider designs, markets, distributes, prices, manages, and services its products and services, and how it engages with consumers and the public, to ensure fair treatment of consumers, transparency, integrity, and market confidence.

“Management Information Systems” means systems and processes used by a financial services provider to collect, analyse, monitor, and report information relevant to governance, compliance, risk management, and consumer protection.

“Product Life Cycle” means all stages of a financial product or service, including design, pricing, marketing, distribution, servicing, claims or benefits administration, complaints handling, and termination.

“Senior Management” means the executive management of a financial services provider responsible for the day-to-day management and implementation of the institution’s strategy, policies, systems, and controls.

“Suitability” means the appropriateness of a financial product, service, advice, or recommendation to a consumer, having regard to the consumer’s financial objectives, needs, personal circumstances, risk tolerance, knowledge, and experience.

“The Act” means the Financial Services Regulatory Authority Act, No. 2 of 2010.

“Third Party” means any person or entity, other than an employee, engaged by a financial services provider to perform outsourced or delegated functions, including agents, intermediaries, service providers, and contractors

“Treating Customers Fairly” means outcomes-based regulatory approach ensuring financial service providers (financial services providers) deliver fair outcomes to consumers throughout the product lifecycle;

means a conduct-based framework requiring financial services providers to embed fair consumer outcomes throughout their governance, culture, business models, and product life cycles.

“Vulnerable Customer” means a consumer who, due to personal circumstances such as age, disability, health condition, low income, limited financial literacy, displacement, or other

socio-economic factors, is especially susceptible to harm and requires enhanced care and protection.

Citation and Application

2. (1) These Rules may be cited as the Market Conduct (General) Rules, 2026

(2) These Rules apply to a non-bank financial services provider licensed, registered, or otherwise regulated under the Act or any financial services law.

(3) These Rules apply throughout the entire product and service life cycle, including—

- (a) product design and development;
- (b) marketing and disclosure;
- (c) advice and sales practices;
- (d) contract execution and servicing;
- (e) claims management;
- (f) complaints handling and dispute resolution; and
- (g) termination or fulfilment of contractual obligations.

(4) A financial services provider remains ultimately responsible and accountable for compliance with these Rules, including for the conduct of its agents and intermediaries.

(5) A financial services provider shall ensure that its agents and intermediaries—

- (a) operate in accordance with applicable financial services laws;
- (b) comply with these Rules; and
- (c) maintain appropriate policies, procedures, and controls to meet market conduct requirements.

(6) A financial services provider shall establish and maintain effective governance, risk management, compliance, and internal control systems that are proportionate to the nature, scale, and complexity of its business model, activities, and risk profile.

(7) The board of directors and senior management of a financial services provider are responsible for ensuring compliance with these Rules and for overseeing the effective implementation of appropriate governance, risk management, and control arrangements.

(8) A financial services provider shall implement adequate oversight, monitoring, and reporting mechanisms to assess and manage the conduct and performance of its agents and intermediaries.

(9) The application of these Rules shall be proportionate to the nature, scale, and complexity of the business and operations of the financial services provider.

Fair Treatment of Consumers

3. (1) A financial services provider shall ensure that financial products and services are designed with due regard to—

- (a) the needs and characteristics of the target market;
 - (b) the financial capacity of consumers;
 - (c) consumers' risk tolerance and risk appetite; and
 - (d) the suitability of the product for its intended purpose.
- (2) A financial services provider shall—
- (a) provide clear, accurate, and timely information to consumers;
 - (b) act honestly, fairly, and in good faith;
 - (c) avoid conflicts of interest or declare the conflict;
 - (d) process claims in a timely and efficient manner;
 - (e) establish and maintain effective complaints handling and dispute resolution mechanisms; and
 - (f) protect the privacy and confidentiality of consumer information.
- (3) A financial services provider shall not engage in—
- (a) misleading or deceptive conduct;
 - (b) unfair, abusive or coercive practices; or
 - (c) any conduct that undermines consumer confidence in the financial sector.

General Obligations of Financial Services Providers

4. (1) A financial services provider shall—
- (a) develop, implement and maintain appropriate strategies, policies, systems, controls and practices to ensure the fair treatment of consumers in all interactions, including those conducted through agents and intermediaries;
 - (b) establish and sustain a corporate culture in which the fair treatment of consumers is embedded at the centre of its business operations and decision-making processes;
 - (c) design and operate its business model in a manner that integrates market conduct principles into its governance, risk management and operational processes, and not rely solely on compliance-based approaches;
 - (d) exercise due care, skill and diligence, and act honestly, fairly and in good faith in all dealings with consumers;
 - (e) conduct its business responsibly, having due regard to the interests, needs and financial circumstances of consumers; and
 - (f) comply with and give full effect to these Rules so as to promote the consistent and effective implementation of fair treatment principles across the financial services sector.
- (2) The Authority may impose such additional obligations, requirements or conditions as it considers necessary to ensure the fair treatment of consumers and the effective implementation of these Rules.

PART II – GOVERNANCE

Governance of Financial Services Providers

5. (1) The board of directors of a financial services provider is responsible for ensuring effective oversight of market conduct and consumer protection.

(2) The board shall ensure that—

(a) appropriate governance arrangements, systems, and controls are established to secure compliance with these Rules and applicable market conduct standards;

(b) market conduct considerations are integrated into the business strategy, risk management framework, and decision-making processes of a financial services provider; and

(c) the financial services provider adopts and maintains standards consistent with recognised international best practices in market conduct and consumer protection.

(3) Senior management shall implement the policies and directives approved by the board and shall ensure effective day-to-day compliance with these Rules.

(4) A financial services provider shall promote and maintain a culture that supports fair treatment of consumers.

(5) The board and senior management shall demonstrate leadership through their conduct, decisions, and communications.

(6) The board and senior management shall set and communicate clear expectations of ethical, prudent, and professional behaviour.

(7) A financial services provider shall take reasonable steps to ensure that—

(a) its values and standards of conduct are clearly articulated;

(b) staff at all levels understand their responsibilities in relation to consumer protection and fair treatment; and

(c) accountability for conduct is embedded throughout the organisation.

(8) The culture of the financial services provider shall reflect both—

(a) ethical standards as demonstrated by the board and senior management; and

(b) behaviour whereby staff exercises independent judgement consistent with the FINANCIAL SERVICES PROVIDER's ethical standards and consumer protection obligations.

(9) A financial services provider shall establish clear internal reporting lines and governance structures to ensure effective oversight of compliance with these Rules.

(10) The reporting framework shall enable—

(a) timely identification and escalation of market conduct risks;

(b) regular reporting to senior management and the board; and

(c) prompt remedial action where deficiencies are identified.

Board Oversight

6. (1) The board of directors of a financial services provider is responsible for providing effective oversight of market conduct and consumer protection and shall ensure that the financial services provider complies with applicable market conduct laws, regulations, Rules, non-banking practice standards and recognised best practice standards.

(2) In exercising its oversight function, the board shall—

(a) collaborate with senior management to foster and maintain an ethical, professional and consumer-centric corporate culture;

(b) set and communicate the institutional culture and standards that promote sound market conduct practices;

(c) demonstrate a clear and sustained commitment to fair market conduct outcomes;

(d) understand the market conduct risks to which the financial services provider is exposed and ensure that appropriate frameworks and controls are established to identify, assess, monitor, and manage those risks;

(e) ensure that the objectives of sound market conduct practices are clearly articulated in the terms of reference of the board and its committees, and reflected in management committee mandates;

(f) ensure that sound market conduct practices are embedded in the business strategies, policies, and operational activities of the financial services provider;

(g) ensure that senior management establishes adequate reporting processes to provide the board with timely, accurate, and sufficient information to enable the board to—

(i) monitor the implementation of market conduct objectives and plans; and

(ii) assess compliance with applicable policies, procedures, and regulatory requirements; and

(h) oversee the adoption and implementation of a market conduct policy, including ensuring that consumer complaints and concerns are addressed effectively, fairly, and in a timely manner.

(3) The board shall establish and maintain a structured and regular monitoring programme for consumer complaints, including reporting on the nature, frequency, resolution, and root causes of complaints.

(4) The board shall ensure that the financial services provider establishes and maintains an effective compliance management system designed to secure adherence to these Rules and other applicable consumer protection laws and standards.

(5) The compliance management system referred to in these Rules shall include—

(a) clear allocation of compliance responsibilities;

(b) oversight by senior management;

(c) ongoing employee training on market conduct obligations;

(d) effective mechanisms for handling and resolving consumer complaints; and

(e) periodic compliance reviews or audits to assess effectiveness and identify areas for improvement.

Senior Management Oversight

7. (1) Senior management of a Financial Services Provider is responsible for the effective implementation and management of the FINANCIAL SERVICES PROVIDER's market conduct strategy.

(2) Senior management shall drive fair market conduct outcomes and integrate market conduct principles into the FINANCIAL SERVICES PROVIDER's corporate culture, governance framework and core values.

(3) In fulfilling its responsibilities, senior management shall assist the board in promoting an ethical, prudent, and professional corporate culture that supports the fair treatment of consumers.

(4) Senior management shall—

(a) ensure that the business model, strategy, and operational practices promote sound market conduct outcomes of the financial services provider;

(b) ensure the fair treatment of consumers at all stages of the product and service life cycle, including product design, pricing, marketing, distribution, and post-sale service;

(c) analyse consumer complaints to identify patterns, trends, and root causes, and implement appropriate remedial measures;

(d) Identify products, services, or business practices that present elevated market conduct risks and ensure that such risks are effectively managed;

(e) collaborate with business and operational units to resolve issues that adversely affect consumers;

(f) oversee and monitor the activities of agents, intermediaries, and third parties through whom the financial services provider provides financial services;

(g) Monitor enterprise-wide compliance with market conduct standards and implement corrective measures where deficiencies are identified;

(h) establish coordination and information-sharing mechanisms among business units and ensure that market conduct matters are reported to the board in a timely and accurate manner;

(i) implement mechanisms for the prompt escalation of material market conduct concerns, including breaches of policies, procedures, or regulatory requirements;

(j) review current and proposed products, systems, and marketing materials to ensure compliance with market conduct requirements;

(k) develop and implement oversight and testing programmes to assess compliance with market conduct reporting and regulatory obligations;

(l) align recruitment, training, performance appraisal, and remuneration frameworks with market conduct principles and fair treatment outcomes; and

(m) establish and maintain policies, processes, and accountability structures to ensure that staff, representatives, and agents appropriately identify and support vulnerable consumers.

Operational Controls and Oversight

8. (1) A financial services provider shall establish, implement and maintain effective operational controls to ensure compliance with these Rules and the fair treatment of consumers.

(2) Without limiting the above, a financial services provider shall establish comprehensive and documented policies and procedures that—

(a) clearly define and allocate roles and responsibilities for consumer protection at all levels of the financial services provider;

(b) promote sound compliance risk management and consumer protection practices;

(c) facilitate effective information-sharing among business units, including complaints data, fraud reports, and legal claims;

(d) adopt a risk-based approach to identify, measure, monitor, and control risks relating to the treatment of consumers;

(e) address key consumer protection matters, including complaint handling, sales and marketing practices, contractual disclosures, prohibition of unfair or abusive conduct, training standards, debt collection practices, and underwriting standards, where applicable; and

(f) promote accountability, transparency, and adequate disclosure of complaints handling procedures and available redress mechanisms across all consumer interfaces.

(3) A financial services provider shall establish and maintain internal control systems proportionate to the nature, scale, and complexity of its business, including effective compliance and internal audit functions, to ensure that market conduct risks are appropriately managed.

(4) A financial services provider shall implement adequate Management Information Systems to measure, monitor, analyse, and report on consumer protection and market conduct matters, and shall ensure that relevant information is escalated to senior management and the board in a timely and accurate manner.

(5) A financial services provider shall ensure that its compliance programmes incorporate consumer protection obligations and that regular reviews or audits are conducted to assess the effectiveness of internal controls.

(6) A financial services provider shall provide ongoing training to its employees, agents, and relevant third parties on these Rules, its internal policies and procedures, and appropriate standards of customer engagement and fair treatment.

(7) A financial services provider shall effectively supervise its agents, representatives, and outsourced service providers to ensure compliance with these Rules.

(8) A financial services provider remains responsible and accountable for the conduct of its agents and third parties and shall be deemed non-compliant where the agents and third parties fail to comply with applicable provisions of these Rules, unless the FINANCIAL SERVICES PROVIDER demonstrates that it took reasonable steps to prevent, detect, and remedy the non-compliance.

PART III - MARKET CONDUCT PRINCIPLES

Principles governing the Conduct of Business by Financial Services Providers

9. (1) Without offending the generality of Section 46 of the Act, a financial services provider shall adhere to these market conduct principles to ensure ethical behaviour, consumer protection, and fair competition.

(2) These principles apply to all aspects of the operations, including the employees, representatives, agents, and third-party service providers of a financial services provider.

Equitable and Fair Treatment of Consumers

10. (1) A financial services provider shall treat all consumers honestly, fairly and equitably throughout the entire consumer engagement process.

(2) Fair treatment shall be embedded in the governance, corporate culture, policies, and procedures of a financial services provider.

(3) Unfair, misleading, aggressive, or discriminatory practices shall be identified and addressed promptly.

(4) Products and services shall be designed and distributed with regard to the needs, financial capacity, and risk profile of the target market.

(5) Contractual terms, product suitability, and service practices shall be transparent, reasonable, and fair.

Transparency and Disclosure

11. (1) A financial services provider shall provide clear, timely, accurate, relevant, and understandable information about its products and services, including pricing, terms, conditions, and associated risks.

(2) Disclosure shall be consistent, highlight important information, and allow consumers to make informed decisions.

(3) Standardised pre-contractual disclosure should be adopted where possible to facilitate comparison.

(4) Complex or high-risk products shall include appropriate warnings and additional disclosures tailored to consumer understanding.

Protection of Consumer Assets and Data

12. (1) A financial services provider shall implement measures to safeguard consumer assets from fraud, scams, misuse, or unauthorized access.

(2) Cybersecurity systems shall prevent, detect, and respond to cyber threats or incidents, and include processes for managing customer losses or breaches.

(3) Where data processing is outsourced, the financial services provider remains responsible for ensuring third-party compliance with data protection and confidentiality requirements.

(4) Consumer personal information shall be protected in accordance with applicable data protection laws, and consumers shall be informed of how their data is used and their rights regarding privacy breaches.

Complaints Handling and Redress

13. (1) A financial services provider shall establish, implement, and maintain documented complaints handling procedures to ensure that all consumer complaints, concerns, or material errors are addressed promptly, fairly, and transparently.

(2) Complaints handling procedures shall, at a minimum, provide for—

(a) the logging and timely reporting of all complaints and material errors to the board, senior management, or other designated authority;

(b) the analysis of recurring trends, patterns, and root causes of complaints or material errors, and the use of such analysis to improve policies, systems, controls, and processes; and

(c) the recording, investigation, resolution, and implementation of preventive measures for material errors affecting consumers, whether or not a formal complaint has been lodged.

(3) A financial services provider shall inform consumers of their rights to seek redress, including the use of internal escalation mechanisms, alternative dispute resolution schemes, the Office of the Ombudsman for Financial Services (OFS), or the courts.

(4) A financial services provider shall ensure that complaints are properly considered, investigated, and responded to in writing within thirty (30) days of receipt, in accordance with applicable statutory and regulatory requirements, including section 17(2) of the Insurance Regulations, 2008.

(5) A financial services provider shall maintain comprehensive records of all complaints, resolutions, communications with consumers regarding redress, and remedial actions, and shall make such records available to the Authority or other relevant regulatory body upon request.

(6) A financial services provider shall implement governance, monitoring, and review mechanisms to ensure the effectiveness, accessibility, and continuous improvement of complaints handling and redress procedures (1) A financial services provider shall provide accessible, affordable, fair, timely, and efficient complaints and redress mechanisms.

(2) Consumers shall have recourse to independent dispute resolution where internal procedures do not resolve complaints adequately.

(3) Complaints shall be monitored, analysed for trends, and used to identify root causes and implement corrective measures.

(4) Significant complaints shall be escalated to senior management and the board.

(5) Consumers shall be informed of their right to lodge complaints with the Ombudsman of Financial Services, in accordance with Section 75 of the Act.

Financial Literacy and Consumer Education

14. (1) A financial services provider shall develop, implement, and maintain financial literacy and consumer education programmes to enhance consumers' understanding of—

(a) financial products and services offered by the financial services provider;

(b) their rights and obligations as consumers; and

(c) the risks and opportunities associated with such products and services.

(2) A financial services provider shall ensure that such programmes are adequately funded, effectively implemented, and proportionate to the nature, scale, and complexity of its business and target market.

(3) A financial services provider shall design and deliver financial literacy and consumer education programmes that are appropriately targeted and tailored to vulnerable, disadvantaged, or underserved consumer groups.

Access and Inclusion

15. (1) A financial services provider shall ensure that all consumers have fair, equitable, and non-discriminatory access to its products and services, irrespective of race, gender, age, disability, socio-economic status, or any other characteristic.

(2) A financial services provider shall design, develop, and offer products and services that are inclusive and responsive to the needs of vulnerable, disadvantaged, or previously underserved consumer groups, taking into account their specific circumstances and barriers to access.

(3) A financial services provider shall ensure that its directors, officers, employees, agents, and intermediaries are adequately trained, competent, and resourced to identify and respond to the diverse needs of consumers, and to provide services in a manner that is fair, respectful, and culturally sensitive.

(4) A financial services provider shall implement monitoring, reporting, and feedback mechanisms to assess the effectiveness of its access and inclusion measures, and to continually improve the delivery of products and services to all consumers.

(5) A financial services provider shall take corrective action where gaps in access, inclusion, or treatment of consumers are identified, ensuring that barriers to fair participation in financial services are addressed promptly and effectively.

Competition

16. (1) A financial services provider shall conduct its business in a manner that fosters and upholds fair, open, and competitive markets, and shall not engage in any conduct that unfairly restricts, distorts, or limits consumer choice. This includes, but is not limited to:

- (a) predatory or exclusionary behaviour that undermines competition;
- (b) discriminatory, unfair, or exploitative pricing practices;
- (c) misleading, deceptive, or false advertising, representations, or promotions;
- (d) price fixing, collusion, or agreements with competitors to allocate markets, restrict output, or manipulate prices;
- (e) abuse of a dominant position or monopolisation of markets;
- (f) tying, bundling, or conditional sale practices that limit consumer options;
- (g) exclusive dealing arrangements that materially restrict competition;
- (h) price signalling or coordination that undermines market integrity; and
- (i) group boycotts, coordinated exclusionary practices, or other acts that unfairly prevent competitors from entering or competing in the market.

(2) A financial services provider shall not amend coverage, terms, or conditions mid-term in any manner that unfairly increases costs, reduces benefits, or diminishes the rights of consumers.

(3) A financial services provider shall establish and maintain effective governance, monitoring, and internal control systems to prevent anti-competitive conduct, ensure compliance with competition and market conduct principles, and promptly address any conduct or practices that may harm consumers or distort the market.

(4) A financial services provider shall promote a culture of fair competition within its organisation, ensuring that directors, officers, employees, agents, and intermediaries understand their obligations under these Rules and act in a manner that supports transparency, integrity, and the protection of consumer choice.

(5) The Authority may require a financial services provider to take such additional measures as it considers necessary to ensure competitive practices, protect consumer choice, and maintain the integrity of the financial services market.

Suitability of Advice and Recommendations

17. (1) A financial services provider shall ensure that all advice, guidance, or recommendations provided to a consumer are suitable, appropriate, and in the best interest of the consumer, taking into account the consumer's financial situation, objectives, needs, knowledge, and experience.

(2) A financial services provider shall ensure that its directors, officers, employees, representatives, and agents obtain sufficient, accurate, and relevant information about the consumer before providing any advice or recommendation.

(3) A financial services provider shall ensure that its directors, officers, employees, representatives, and agents are competent to provide advice, and shall implement

mechanisms to periodically assess, validate, and maintain the competence, qualifications, and professional standards of those providing advice.

(4) A financial services provider shall establish governance, oversight, and control processes to monitor the suitability of advice, identify deficiencies, and take corrective action to protect consumers from unsuitable or inappropriate recommendations.

(5) The Authority may require a financial services provider to implement additional measures to ensure that advice and recommendations consistently meet the suitability and best-interest obligations under these Rules.

Due Skill, Care, and Diligence

18. (1) A financial services provider shall at all times act with due skill, care, and diligence in the design, provision, and administration of financial products, services, and advice, so as to protect the interests of consumers and maintain the integrity of the financial services market.

(2) A financial services provider shall ensure that in product design, development, distribution, or governance—

(a) fully consider the needs, objectives, characteristics, and circumstances of the intended target market;

(b) select distribution channels, delivery methods, and communication approaches that are appropriate, effective, and accessible for the target market;

(c) integrate risk identification, assessment, mitigation, and monitoring processes throughout the product and service lifecycle to safeguard consumers from foreseeable harm; and

(d) undertake ongoing evaluation to ensure products and services continue to meet the needs of the target market and comply with applicable laws and regulatory requirements.

(3) A financial services provider shall design and maintain remuneration frameworks, incentive schemes, and performance measures that encourage responsible conduct, do not create conflicts of interest, and promote the fair treatment of consumers in all dealings.

(4) A financial services provider shall implement comprehensive governance, monitoring, and control mechanisms to ensure adherence to these obligations, including periodic reviews, audits, and validation of staff competence, conduct, and performance.

(5) A financial services provider shall take prompt corrective action to address any deficiencies in skill, care, diligence, or governance, and shall maintain records of such actions and their outcomes.

(6) The Authority may require a financial services provider to take additional measures or adopt specific practices it considers necessary to ensure that all activities are conducted with the highest standards of skill, care, and diligence, and to protect consumer interests.

Conflicts of Interest

19. (1) A financial services provider shall take all reasonable steps to identify, prevent, and avoid actual or potential conflicts of interest in the provision of its financial products, services, and advice.

(2) Where a conflict of interest cannot be avoided, a financial services provider shall—

(a) promptly and clearly disclose the nature and extent of the conflict to affected consumers and relevant stakeholders; and

(b) implement effective systems, procedures, and controls to manage, mitigate, or eliminate the conflict, ensuring that consumer interests are not adversely affected.

(3) A financial services provider shall develop, maintain, and enforce a conflicts of interest policy that—

(a) is approved by senior management or the board;

(b) is communicated to all directors, officers, employees, representatives, intermediaries, and relevant third-party contractors;

(c) establishes mechanisms for ongoing monitoring, reporting, and auditing of conflicts; and

(d) ensures accountability and appropriate corrective action where conflicts are identified or arise.

(4) A financial services provider shall maintain records of all identified conflicts of interest, the measures taken to manage them, and any disclosures made, and shall review these records periodically to ensure the continued effectiveness of conflict management measures.

(5) The Authority may require a financial services provider to adopt additional measures, controls, or reporting practices it considers necessary to prevent or manage conflicts of interest and to protect the fair treatment of consumers.

PART IV - SECTOR-SPECIFIC: MARKET CONDUCT STANDARDS

Securities And Capital Markets

20. (1) A financial services provider shall ensure that investors are provided with clear, accurate, complete, and timely information at all stages of the investor relationship, including pre-sale, point of sale, and post-sale, to enable investors to make informed decisions.

(2) The information provided shall, where relevant, comprehensively cover—

(a) the range of accounts, products, and services offered by the financial services provider, including their objectives and suitability for different investor types;

(b) the key characteristics, features, benefits, limitations, risks, and potential consequences of each account, product, or service;

(c) the specific risks associated with leverage, margin, or derivative instruments, including potential for significant losses;

(d) the licensing, authorisation, and regulatory status of all persons acting on behalf of the financial services provider, including representatives, intermediaries, or agents; and

(e) the details of any delegated, outsourced, or third-party functions, including the scope of delegation, licensing, supervisory arrangements, and the associated risks to investors.

(3) A financial services provider shall be legally responsible and liable for all statements, representations, or disclosures made in marketing, promotional, or sales materials, including materials prepared or communicated by its directors, officers, employees, representatives, agents, or intermediaries.

(4) A financial services provider shall implement and maintain robust governance, review, and monitoring mechanisms to ensure that all information provided to investors is accurate, complete, up-to-date, and presented in a clear and understandable manner throughout the lifecycle of the investment relationship.

(5) A financial services provider shall ensure that disclosure practices are tailored to the needs and sophistication of investors, including vulnerable, inexperienced, or underserved investors, so that all investors can reasonably understand the information provided and make informed financial decisions.

(6) The Authority may require a financial services provider to adopt additional disclosure, reporting, or transparency measures it considers necessary to protect investors, promote market integrity, and support fair, efficient, and transparent financial markets.

Terms and Conditions

21. (1) A financial services provider shall ensure that investors receive all applicable general and account-specific terms and conditions prior to commencing a business relationship or accessing any product or service.

(2) The terms and conditions provided shall be clear, concise, and presented in a manner that is easily understandable, and shall disclose, where relevant—

(a) all charges, fees, and the methods of calculation or interest computation;

(b) procedures for lodging complaints, dispute resolution mechanisms, and applicable compensation schemes;

(c) details of leverage, margin requirements, account transfer restrictions, account closure procedures, and any other conditions that may materially affect the investor's rights or obligations.

(3) A financial services provider shall implement governance and control mechanisms to ensure that terms and conditions are accurate, up-to-date, accessible to investors, and consistently applied.

(4) A financial services provider shall take reasonable steps to confirm that investors have understood the terms and conditions and are aware of their rights and obligations before entering into any account, product, or service agreement.

(5) The Authority may require a financial services provider to provide additional disclosures, simplified summaries, or other measures it considers necessary to ensure that investors are fully informed and able to make decisions on a fair and transparent basis.

Specific Disclosures

22. (1) A financial services provider operating a collective investment scheme shall disclose to investors—

(a) its policies and procedures regarding frequent trading, including any measures to prevent market abuse or undue costs to investors;

(b) any inducements, fees, or benefits received from third parties that could influence investment decisions; and

(c) performance information prepared accurately and consistently, including over multiple reporting periods.

(2) A financial services provider acting as an investment adviser shall disclose to investors—

(a) any dual registration or authorisation status that may affect their professional obligations; and

(b) whether recommended products are held in the adviser's own inventory, or in related entities' inventories, where such holdings may create a conflict of interest.

(3) A financial services provider shall provide a Key Facts Statement or equivalent summary for each product or service offered, containing essential information on the nature, features, risks, costs, and investor obligations, in a clear, concise, and understandable manner.

(4) A financial services provider shall implement governance, monitoring, and review mechanisms to ensure that all disclosures are accurate, complete, and up-to-date, and that investors are able to make informed decisions based on transparent and reliable information.

(5) The Authority may require a financial services provider to provide additional disclosures, reporting, or transparency measures it considers necessary to protect investors, promote market integrity, and support fair and informed investment decisions.

Contract Notes and Statements

23. (1) A financial services provider shall ensure that investors receive detailed contract notes for all executed trades. These contract notes shall include, where applicable—

(a) the trade details, including date, time, quantity, price, and trading venue;

(b) commissions, fees, total expense ratios, and other costs associated with the trade; and

(c) the role and identity of any intermediary, agent, or collective investment scheme involved in the execution of the trade.

(2) A financial services provider shall provide investors with periodic account statements that are comprehensive, accurate, up-to-date, and delivered in a timely manner.

(3) Statements shall include all relevant holdings, transactions, costs, and performance information to enable investors to monitor their accounts effectively.

(4) A financial services provider shall establish a clear and accessible process for investors to dispute or query transactions, errors, or inaccuracies in contract notes or account statements.

(5) For assets held by an investment adviser on behalf of a client, account statements shall be prepared and issued by the independent custodian, not by the adviser, to ensure transparency, accuracy, and impartial reporting.

(6) A financial services provider shall maintain governance, monitoring, and control mechanisms to ensure the accuracy, completeness, and timely delivery of all contract notes and account statements, and to address any discrepancies or investor complaints promptly.

(7) The Authority may require a financial services provider to adopt additional reporting, disclosure, or verification measures it considers necessary to safeguard investors and promote transparency in financial markets.

Suitability and Sales Practices

24. (1) A financial services provider shall ensure that all recommendations, advice, and investment actions are suitable for the investor, taking into account the investor's financial circumstances, risk appetite, investment objectives, knowledge, and experience.

(2) A financial services provider shall establish and maintain procedures to assess and document each client's risk profile, investment knowledge, financial capacity, and investment objectives, and shall reassess these factors periodically or whenever a material change occurs.

(3) A financial services provider shall not engage in high-pressure sales tactics, misrepresentations, exaggerations, or the omission of material risk disclosures in any marketing, promotional, or advisory activity.

(4) A financial services provider shall inform clients promptly if a proposed transaction, product, or investment recommendation is unsuitable, and may only proceed with the express, informed instruction of the client.

(5) All marketing, promotional, and sales materials provided by a financial services provider shall be presented in clear, concise, and plain language, easily understandable by the target audience, and shall not be misleading, deceptive, or likely to create confusion.

(6) A financial services provider shall clearly disclose its licensing status and authorisation in all communications, marketing, and sales materials, including the status of any representatives, intermediaries, or agents acting on its behalf.

(7) A financial services provider shall implement governance, monitoring, and control mechanisms to ensure compliance with these suitability and sales practice obligations and shall take prompt corrective action where deficiencies are identified.

(8) The Authority may require a financial services provider to adopt additional measures, controls, or reporting practices it considers necessary to ensure that advice, recommendations, and sales practices consistently meet suitability and investor protection standards.

Consumer Protection, Market Conduct, and Operational Obligations

25. (1) A financial services provider shall at all times act honestly, fairly, and in the best interests of consumers and investors, and shall implement systems, policies, procedures, and controls to ensure the fair treatment of consumers across the entire lifecycle of products and services.

(2) A financial services provider shall—

(a) provide financial literacy and consumer education programmes to enhance understanding of products, services, rights, obligations, and associated risks, ensuring these programmes are adequately resourced and tailored to vulnerable, disadvantaged, or underserved groups;

(b) ensure fair and equitable access to its products and services, designing offerings to meet the needs of diverse and previously excluded consumer groups, and training staff, agents, and intermediaries to respond appropriately to the needs of all consumers;

(c) refrain from anti-competitive or unfair market practices, including predatory behaviour, discriminatory pricing, misleading representations, collusion, monopolisation, tying, exclusive dealing, or other conduct that limits consumer choice, and shall not amend insurance coverage mid-term in ways that unfairly increase costs;

(d) provide advice and recommendations that are suitable for the consumer, based on their financial circumstances, objectives, knowledge, and experience, and shall obtain sufficient information, maintain staff competence, and implement governance to monitor the suitability of advice;

(e) act with due skill, care, and diligence in the design, provision, and governance of products, services, and advice, considering target market needs, selecting appropriate distribution methods, mitigating risks, and ensuring remuneration and incentive, promote responsible conduct and fair treatment;

(f) identify, manage, and disclose conflicts of interest, maintaining a conflicts of interest policy communicated to all staff, representatives, intermediaries, and relevant

third parties, and implementing measures to prevent conflicts from prioritising the provider's interests over those of consumers;

(g) safeguard client confidentiality and personal information, implementing policies for collection, use, sharing, and access, notifying clients of breaches, ensuring outsourced functions comply with these obligations, and maintaining governance and controls to protect client data;

(h) protect, segregate, and account for client assets, ensuring accurate records, independent custodianship where applicable, clear disclosure of client asset policies, and mechanisms for client claims or interest earned;

(i) provide clear, accurate, and timely information to investors at all stages of the relationship, including pre-sale, point of sale, and post-sale, covering products, services, features, risks, licensing status, outsourced arrangements, and other material information, and maintain legal accountability for all marketing and sales materials;

(j) ensure investors receive all applicable terms and conditions prior to entering a relationship, with clear disclosure of fees, charges, interest computations, complaints procedures, leverage, margin, transfer restrictions, and account closure procedures;

(k) provide specific disclosures for collective investment schemes and investment advisers, including policies on frequent trading, inducements, performance reporting, dual registration, holdings in inventories, and Key Facts Statements for each product or service;

(l) deliver detailed contract notes and periodic account statements that are accurate, comprehensive, and timely, provide a clear process for disputing errors or inaccuracies, and ensure statements for assets held by advisers are prepared by independent custodians; and

(m) implement governance, monitoring, review, and corrective mechanisms to ensure compliance with all obligations in this Part.

(3) The Authority may require a financial services provider to adopt additional measures, disclosures, reporting, or controls that it considers necessary to ensure consumer protection, the fair treatment of investors, market integrity, transparency, and compliance with these Rules.

Complaints Handling and Redress

26. (1) A financial services provider shall establish, implement, and maintain robust, transparent, and accessible complaints handling procedures that enable consumers and investors to raise concerns effectively.

(2) A financial services provider shall ensure that all complaints are promptly acknowledged, thoroughly investigated, and resolved in a timely and fair manner.

(3) A financial services provider shall inform clients of their rights in relation to complaints, including the right to refer unresolved matters to the Ombudsman of Financial Services or other relevant external dispute resolution mechanism.

(4) A financial services provider shall promptly report material complaints, including those involving fraud, misconduct, or significant consumer detriment, to the Authority and take appropriate remedial or corrective action.

(5) A financial services provider shall monitor and analyse complaints trends and root causes, and implement measures, systems, or controls to prevent recurrence and enhance consumer protection.

(6) A financial services provider shall maintain governance, oversight, and audit mechanisms to ensure the effectiveness, accessibility, and continuous improvement of its complaints handling and redress processes.

Training and Oversight

27. (1) A financial services provider shall ensure that all directors, officers, employees, representatives, and agents are appropriately trained in the standards and obligations set out in these Rules, including—

- (a) suitability of advice and recommendations;
- (b) disclosure and provision of information;
- (c) confidentiality, data protection, and client asset safeguarding;
- (d) conflicts of interest; and
- (e) complaints handling and redress procedures.

(2) A financial services provider shall implement and maintain ongoing monitoring, reporting, and oversight systems to assess compliance with market conduct, operational, and consumer protection requirements.

(3) A financial services provider shall take prompt corrective action where deficiencies, breaches, or non-compliance are identified through training assessments, monitoring, audits, or other oversight activities.

(4) The Authority may require a financial services provider to implement additional training, supervision, or reporting measures to ensure that all staff, representatives, and agents comply with these Rules and act in the best interests of consumers.

PART V - INSURANCE

Product Design and Suitability

28. (1) A financial services provider shall design, recommend, and offer products and services that are suitable for the consumer's needs, risk profile, financial capacity, and personal circumstances. Suitability assessments shall be based on accurate, complete, and up-to-date consumer information.

(2) A financial services provider shall develop products and services that are appropriate for vulnerable, disadvantaged, or lower-income groups, and shall maintain formal policies to support financial inclusion.

(3) A financial services provider shall conduct assessments that consider, as appropriate—

- (a) the consumer’s needs, priorities, objectives, and intended holding period of the product;
- (b) current and projected financial capacity, taking into account age, health, habits, debts, financial goals, dependents, and potential future changes;
- (c) the consumer’s risk profile and tolerance.

(4) A financial services provider shall inform consumers of their duty to provide true, fair, and complete disclosure of information, including any factors that may affect the accuracy of risk or suitability assessments.

(5) A financial services provider and its directors, officers, employees, representatives, and intermediaries shall maintain adequate knowledge, competence, and understanding of—

- (a) products, market trends, economic conditions, and foreseeable developments;
- (b) industry segment information, including product characteristics, benefits, limitations, and risks;
- (c) effective methods for communicating product and service information to consumers clearly and understandably;
- (d) any relationships or situations that may compromise impartiality or create conflicts of interest; and
- (e) all applicable legal, regulatory, and supervisory obligations, including anti-money laundering, countering the financing of terrorism, and consumer protection requirements.

(6) A financial services provider shall test the suitability, accessibility, and understandability of products for vulnerable or underserved consumer groups using appropriate methods, such as surveys, polls, focus groups, or user testing, and shall take remedial action to address any gaps identified.

(7) A financial services provider shall implement governance, monitoring, and review mechanisms to ensure that product design, recommendation, and suitability practices are consistently applied, documented, and updated to reflect evolving consumer needs and market conditions.

Consumer Protection, Market Conduct, and Operational Obligations

29. (1) A financial services provider shall act honestly, fairly, and in the best interests of consumers and investors, and shall implement governance, policies, procedures, and controls to ensure the fair treatment of consumers across the full lifecycle of products and services, including through agents, intermediaries, and other representatives.

(2) A financial services provider shall provide financial literacy and consumer education programmes, ensure equitable access to products and services, and design offerings that meet the needs of vulnerable, disadvantaged, or underserved consumers.

Staff, representatives, and intermediaries shall be trained to serve diverse consumer needs appropriately.

(3) A financial services provider shall refrain from anti-competitive or unfair market practices, including predatory behaviour, discriminatory pricing, misleading representations, collusion, monopolisation, tying, exclusive dealing, or other conduct that limits consumer choice, and shall not amend insurance coverage mid-term in ways that unfairly increase consumer costs.

(4) A financial services provider shall ensure that advice, recommendations, and product offerings are suitable for the consumer's needs, objectives, financial circumstances, risk profile, and personal circumstances, based on accurate and complete information. "Right fit" assessments shall consider the consumer's priorities, intended product holding period, projected financial capacity, risk tolerance, and relevant personal factors.

(5) A financial services provider shall act with due skill, care, and diligence in the design, provision, and governance of products and services, including selection of distribution methods, risk mitigation, and remuneration and incentives that promote responsible conduct and fair treatment of consumers.

(6) A financial services provider shall identify, manage, and disclose actual, potential, or perceived conflicts of interest, maintaining a conflicts of interest policy communicated to all staff, representatives, intermediaries, and relevant third parties, and implement measures to prevent conflicts from prioritising the provider's interests over those of consumers.

(7) A financial services provider shall safeguard consumer and client assets and personal information, implementing policies for collection, use, sharing, and access, ensuring outsourced functions comply with these obligations, maintaining segregation of client assets, accurate accounting, and prompt reporting of breaches.

(8) A financial services provider shall provide clear, accurate, timely, and complete information and Key Facts Statements at all stages of the consumer or investor relationship, including disclosure of terms, fees, charges, premiums, interest computation, leverage, margin, transfer restrictions, account closure procedures, licensing status, outsourced arrangements, benefits, exclusions, and limitations. Disclosure shall be in plain language, accessible formats, and tailored for vulnerable consumers.

(9) A financial services provider shall issue detailed contract notes and periodic account statements that are comprehensive, accurate, timely, and understandable.

Provided that process shall be in place for consumers to dispute errors, and statements for assets held by advisers shall be prepared by independent custodians.

(10) A financial services provider shall ensure that all contracts and agreements are clear, concise, written in simple language, and do not contain provisions that—

(a) absolve the financial services provider of responsibility for acts or omissions of directors, officers, employees, representatives, or agents;

(b) make an agent act on behalf of the consumer in a way that diminishes the provider's obligations;

(c) make the provider's obligations contingent on a reinsurer or third party; or

(d) require consumers to waive rights provided under applicable financial services or insurance legislation.

(11) A financial services provider shall establish, implement, and maintain, transparent, and accessible complaints handling procedures, ensuring timely acknowledgement, investigation, and resolution.

(12) Consumers shall be informed of their rights, including referral to the Ombudsman of Financial Services under section 75 of the Act, and material complaints shall be reported to the Authority with appropriate remedial action taken. Trends and root causes shall be analysed to prevent recurrence.

(13) A financial services provider shall ensure that all directors, officers, employees, representatives, and agents are appropriately trained in these standards, and shall implement ongoing monitoring, reporting, and oversight systems to assess compliance with market conduct and consumer protection obligations, taking prompt corrective action where deficiencies are identified.

(14) A financial services provider shall test the suitability, accessibility, and understandability of products for vulnerable or underserved consumers, implement governance and review mechanisms to ensure compliance with obligations relating to product design, recommendation, disclosure, suitability, advice, conflicts, and client protection, and shall take corrective action as necessary to protect consumers and maintain market integrity.

(15) The Authority may require a financial services provider to adopt additional measures, disclosures, reporting, or controls it considers necessary to ensure compliance, protect consumers, and promote transparency, fairness, and market integrity.

Advertising, Quotations, Proposals, and Responsible Business Conduct

30. (1) A financial services provider shall ensure that all advertisements, promotions, and marketing materials are approved by the provider prior to use. Materials developed by intermediaries, agents, or third parties shall be verified and approved by the provider.

(2) Marketing materials shall—

(a) clearly identify the underwriting insurer or provider;

(b) be accurate, clear, presented in plain language, and not misleading or deceptive;

(c) include essential product or service details sufficient to inform consumer decision-making; and

(d) provide supplementary explanatory material where advertisements are brief, general, or summary in nature.

(3) A financial services provider or its intermediaries shall not advertise products issued by unregistered or unauthorised insurers or providers, and any misleading, inaccurate, or non-compliant marketing materials shall be corrected or withdrawn promptly.

(4) A financial services provider shall ensure that all quotations provided to consumers include, as relevant—

- (a) the type and class of product or insurance;
- (b) the product name;
- (c) the type of risk covered;
- (d) the monetary amount, limits, and currency;
- (e) the validity period of the quotation;
- (f) the full legal name of the underwriter, insurer, or financial services provider;

and

(g) any other key facts necessary to enable the consumer to make an informed decision.

(4) A financial services provider shall ensure that proposals—

- (a) clearly explain the basis and methodology for claim settlement; and
- (b) specify calculation methods for determining the value of assets deemed beyond economic repair.

(5) For property, motor, or other relevant insurance products, the appointment of adjusters, assessors, or other relevant third parties shall be disclosed to the consumer both at the proposal and claims stages.

(6) A financial services provider shall maintain a board-approved conflicts of interest and responsible conduct policy, including guidance on gifts, benefits, acceptance thresholds, disclosure requirements, and consequences of breaches.

(7) A financial services provider shall monitor the conduct of intermediaries, agents, representatives, and employees to ensure compliance with internal policies, procedures, regulatory obligations, and these Rules.

(8) A financial services provider shall identify, assess, and mitigate all risks and threats to responsible business conduct and fair treatment of consumers, ensuring that its governance, operational, and control frameworks promote ethical, transparent, and accountable practices.

Brokerages, Intermediaries, and Conflicts of Interest

31. (1) A financial services provider shall ensure that brokerages, brokers, and intermediaries do not undertake transactions or provide advice that conflicts with the interests of consumers or clients unless such conflicts are fully disclosed and the consumer has provided informed consent.

(2) A financial services provider shall maintain and implement a board-approved conflicts of interest policy that—

(a) identifies situations, relationships, or arrangements that may create actual, potential, or perceived conflicts or pose risks to consumer interests; and

(b) specifies procedures, controls, and mitigation measures to manage such conflicts effectively.

(3) A financial services provider shall take reasonable steps to prevent its officers, employees, representatives, agents, or intermediaries from offering, soliciting, or accepting gifts, benefits, or incentives that are likely to compromise impartiality or create conflicts of interest.

(4) A financial services provider shall ensure that intermediaries implement systems, procedures, and controls to demonstrate the fair treatment of consumers, including—

(a) maintaining accurate and accessible logs of complaints;

(b) clearly defining and communicating roles and responsibilities of all parties;

and

(c) analysing complaint trends, operational performance, and other data, and sharing relevant findings with the financial services provider to inform governance and risk management.

(5) A financial services provider shall ensure that all staff, representatives, and intermediaries who solicit, negotiate, or advise on products or services are fit, proper, competent, and appropriately registered in accordance with regulatory requirements, and uphold ethical, professional, and conduct standards at all times.

(6) A financial services provider shall implement monitoring, oversight, and corrective mechanisms to ensure ongoing compliance with these obligations and to address deficiencies, breaches, or conflicts promptly.

Policy Servicing and Post-Sales Communication

32. (1) A financial services provider shall deliver all policies, contracts, and related documentation to consumers within 20 business days of contract completion, unless otherwise agreed.

(2) A financial services provider shall establish and communicate clear service standards covering the delivery of information, claims handling, complaints resolution, and premium collection.

(3) A financial services provider shall ensure that all policyholder funds are remitted to insurers promptly and in accordance with contractual and regulatory requirements.

(4) A financial services provider shall inform consumers of any contractual changes, amendments, or variations, and explain the implications of such changes in a clear and understandable manner.

(5) A financial services provider shall conduct regular internal audits to ensure adherence to its policies, procedures, service standards, and regulatory obligations.

(6) A financial services provider shall maintain ongoing post-sales communication with consumers, including—

(a) providing information on product performance and any approved changes to terms and conditions;

(b) issuing periodic policy statements, with annual statements for traditional savings products and more frequent statements for investment-linked or market-dependent contracts;

(c) providing mechanisms for consumers to dispute inaccuracies or errors in statements;

(d) disclosing cash values upon request;

(e) issuing timely notices of renewal, non-renewal, or other material changes;

(f) ensuring that claims are not denied on account of immaterial non-disclosure, while retaining the right to adjust premiums to reflect risk; and

(g) reserving the right to cancel policies in cases of material non-disclosure prior to a claim being made.

(7) A financial services provider shall implement governance, monitoring, and corrective mechanisms to ensure compliance with policy servicing and post-sales communication obligations, taking prompt corrective action where deficiencies or breaches are identified.

Employee Training and Competence

33. (1) A financial services provider shall ensure that all staff, representatives, and intermediaries who provide advice, solicit, or transact in financial products or services—

(a) successfully complete all statutory registration, licensing, or qualification examinations required under applicable law; and

(b) participate in ongoing professional development programmes to maintain competence and awareness of regulatory obligations.

(2) A financial services provider shall provide regular and ongoing training covering—

(a) the features, benefits, limitations, and risks of products and services offered;

(b) market trends, economic developments, and emerging risks; and

(c) ethical, professional, and consumer treatment standards, including fair treatment, suitability, disclosure, and conflicts of interest.

(3) A financial services provider shall maintain accurate and up-to-date records of all training, qualifications, and continuous professional development completed by staff, representatives, and intermediaries, and such documentation shall be made available to the Authority for inspection or audit upon request.

(4) A financial services provider shall implement monitoring, assessment, and corrective mechanisms to ensure training programmes are effective and staff maintain ongoing competence.

Claims Handling

34.(1) A financial services provider shall establish, implement, and maintain comprehensive claims handling procedures that ensure all claims are processed fairly, transparently, consistently, and in a timely manner.

(2) Claims handling procedures shall, at a minimum, provide for—

(a) the maintenance of documented procedures outlining the steps, responsibilities, and timelines for processing claims;

(b) the prompt and fair assessment and determination of claims in accordance with the provider's policies, the terms of the contract, and applicable law;

(c) informing consumers of the claims process, expected timelines, and, where applicable, the identity and role of any adjuster, assessor, or expert engaged to evaluate the claim;

(d) providing consumers with written explanations for any decisions regarding the acceptance, adjustment, or denial of a claim;

(e) the operation of an internal, independent review process for disputed or declined claims, ensuring impartial consideration of the consumer's position; and

(f) the consistent and objective application of claims policies and procedures to all claims, without undue delay, discrimination, or bias.

(3) A financial services provider shall take reasonable steps to ensure that all directors, officers, employees, representatives, and intermediaries involved in claims handling are competent, adequately trained, and aware of their obligations to act honestly, fairly, and in the best interests of the consumer.

(4) A financial services provider shall maintain comprehensive records of all claims, including decisions, communications with consumers, and outcomes of any internal reviews, and shall make such records available to the Authority or other relevant regulatory body upon request.

(5) A financial services provider shall implement monitoring, oversight, and corrective mechanisms to ensure claims handling procedures remain effective, comply with these Rules, and provide appropriate protection for consumers.

PART VI - RETIREMENT FUNDS SECTOR

Disclosure and Sales Practices

35. (1) A financial services provider, including retirement funds and fund administrators, shall ensure that disclosures are made in accordance with the Retirement Funds Disclosure Rules, 2021, and are accurate, complete, clear, and accessible to members.

(2) A financial services provider shall ensure that—

(a) the Fund Rules are readily available for inspection by all members, to facilitate comparison, informed decision-making, and protection of members' interests;

(b) proper procedures are established for the development, review, and amendment of Fund Rules, product and service disclosures, and promotional materials;

(c) key features, risks, benefits, terms, fees, and applicable warnings of all products and services are clearly set out and explained;

(d) transparency and disclosure requirements apply equally to services or products offered digitally, taking into account the profile and needs of affected members;

(e) where appropriate, members are provided the opportunity to confirm that they have read and understood the disclosures before joining the Fund;

(f) new members receive a copy of the Fund Rules within three (3) months of the Fund's establishment;

(g) new members receive key information, including complaints procedures, governance structures, and Fund expenses, within sixty (60) days of joining;

(h) members are informed of their benefits, rights, and entitlements;

(i) active members receive annual benefit statements within three (3) months of the financial year-end;

(j) retiring or terminating members receive comprehensive information regarding their benefits within thirty (30) days of retirement or termination;

(k) deferred pensioners receive confirmation of their deferred benefits within thirty (30) days of request;

(l) periodic disclosures are provided to deferred pensioners and pensioners in accordance with regulatory requirements;

(m) beneficiaries of deceased members are informed of their options within thirty (30) days of the Fund becoming aware of the member's death; and

(n) members are informed promptly of any changes to fees, premiums, contribution rates, or other material terms affecting their benefits.

(3) A financial services provider shall implement governance, monitoring, and oversight mechanisms to ensure that disclosure obligations are consistently applied, accessible, and updated to reflect changes in products, regulations, or member circumstances.

Suitability of retirement fund products and services

36. (1) A financial services provider, including retirement funds and fund administrators, shall ensure that all products and services offered to members are suitable for their needs.

(2) A financial services provider shall ensure that—

(a) Fund Rules comply with prescribed regulatory requirements, are approved by the Authority, and are designed to meet the needs of members and sponsors; and

(b) benefits and services offered align with members' individual circumstances, including age, salary, length of service, and retirement objectives.

(3) A financial services provider shall ensure that trustees and principal officers

(a) act with due care, diligence, good faith, and impartiality in the best interests of members, avoiding conflicts of interest;

(b) are responsible for the overall management of the Fund, ensuring compliance with registered Fund Rules and regulatory obligations; and

(c) delegate operational responsibilities appropriately, with the principal officer implementing the decisions of trustees in accordance with governance policies.

(4) A financial services provider shall ensure that Fund Rules—

(a) clearly cover retirement, early retirement, ill-health retirement, death benefits, and withdrawal options;

(b) permit housing loans against members' benefits only under regulated conditions;

(c) clearly communicate death benefits and establish defined processes for payments to beneficiaries; and

(d) clearly explain options available to members on termination, retirement, or death.

(5) A financial services provider shall ensure that—

(a) members' retirement benefits are protected from reduction, transfer, attachment, or other unauthorised encumbrances;

(b) the Fund conducts only retirement fund business and does not engage in prohibited or undesirable practices; and

(c) loans to sponsors, employers, trustees, or related parties are prohibited, and Fund assets may not be pledged or used as collateral for such loans.

(6) A financial services provider shall implement governance, monitoring, and oversight mechanisms to ensure that suitability, alignment with member needs, fiduciary duties, and restrictions are consistently applied and maintained.

Sales Practices

37. (1) A financial services provider, including retirement funds and fund administrators, shall ensure that sales practices are conducted in a manner that prioritises the best interests of members and complies with Fund Rules and regulatory obligations. In particular, a financial services provider shall—

(a) focus solely on providing retirement benefits and shall not engage in general commercial activities unrelated to the Fund's purpose;

(b) ensure that Fund assets are not used to secure preferential treatment or benefits for employers, trustees, or related parties;

(c) disclose all fees and charges paid to administrators, investment managers, custodians, auditors, and other service providers;

(d) require trustees to act with care, diligence, honesty, good faith, and impartiality, avoiding conflicts of interest;

(e) require administrators, custodians, investment managers, auditors, valuers, and other service providers to exercise the utmost good faith, care, skill, prudence, and diligence in the performance of their duties; and

(f) ensure that the management and operations of the Fund are consistent with the registered Fund Rules, regulatory requirements, and fiduciary obligations.

(2) A financial services provider shall not engage in the following sales practices—

(a) undesirable, coercive, or improper practices as defined or prohibited by the Authority;

(b) pressuring members to make decisions that primarily benefit employers, trustees, or related parties rather than the members themselves; or

(c) coercing, inducing, or encouraging members to make loans, contributions, or investments for the benefit of employers, trustees, or other third parties.

(3) A financial services provider shall implement governance, monitoring, and oversight mechanisms to ensure compliance with these sales practice obligations, and shall take prompt corrective action in the event of breaches or deficiencies.

PART VII - CREDIT & SAVINGS

Inclusive and Competitive Marketplace

38. (1) A financial services provider, including credit and savings institutions, building societies, and SACCOs, shall design products, services, and delivery channels to meet the needs of all consumers, including disadvantaged, underserved, and low-income groups.

(2) Pricing, terms, and features shall be responsible and based on a clear understanding of the financial circumstances, likely needs, and capabilities of each consumer segment.

(3) A financial services provider shall, as far as practicable, avoid tying clauses or arrangements that restrict consumer choice or limit access to alternative products and services.

(4) Where a borrower is required to acquire a product or service, including insurance, as a condition of a loan—

(a) the borrower shall have the right to select the provider of that product; and

(b) the financial services provider shall clearly inform the borrower of this right prior to the transaction.

(5) A financial services provider contracting with merchants, agents, or intermediaries as distribution channels shall avoid exclusionary or anti-competitive practices that prevent other providers from participating or limit consumer choice.

(6) A financial services provider shall not introduce pre-sale or post-sale barriers that unreasonably prevent consumers from changing products, closing accounts, or switching to another provider.

(7) A financial services provider shall implement monitoring, oversight, and corrective measures to ensure compliance with inclusive and competitive marketplace obligations, taking prompt action to address deficiencies or practices that disadvantage consumers.

Products, Services, and Communication for Vulnerable and Differently Abled Customers

39. (1) A financial services provider, including credit and savings institutions, building societies, and similar entities, shall ensure that products, services, facilities, and access arrangements meet the needs of vulnerable, low-income, differently abled, and senior customers. In particular—

(a) facilities, delivery channels, and services shall be designed to be accessible and appropriate for differently abled persons and senior citizens;

(2) A financial services provider shall not close, suspend, or threaten to close a customer's account for unjustified reasons, including raising queries or lodging complaints. Where closure is considered necessary, the customer shall be given a fair and reasonable opportunity to address the concerns.

(3) A financial services provider shall provide a Key Facts Statement for each account, loan, or other financial product or service offered, which shall—

(a) be concise and written in plain language;

(b) summarise the key terms, conditions, features, risks, and fees of the product or service in no more than one or two pages; and

(c) enable customers to compare products and services offered by different financial services providers with ease.

(4) All contracts, agreements, terms and conditions, correspondence, and communications issued to customers shall be clear, written in plain language, and structured to allow customers to locate and understand material information easily. In complying with this obligation, a financial services provider shall—

(a) use reader aids such as headings, margin notes, tables of contents, or other navigational tools where appropriate;

(b) use words and expressions familiar to the intended audience and clearly define any legal or technical terms;

(c) provide examples, illustrations, or explanatory notes where necessary to clarify complex concepts, calculations, or procedures; and

(d) ensure documents are presented in a readable format, including appropriate font size, typeface, spacing, and overall design to enhance comprehension.

(5) A financial services provider shall implement governance, monitoring, and oversight mechanisms to ensure accessibility, clarity, and fairness in all products, services, and communications provided to customers, taking prompt corrective action where deficiencies are identified.

Terms, Conditions, and Changes to Fees

40. (1) A financial services provider, including credit and savings institutions, shall ensure that all written terms and conditions for products and services are readily available to customers and prospective customers, and that any queries regarding such terms are promptly addressed.

(2) Written terms and conditions shall, where practicable, be provided to prospective customers at the point of application for a product or service.

(3) Terms and conditions shall—

(a) be drafted in plain and understandable language;

(b) include clear explanations of any legal, technical, or industry-specific terminology;

(c) be presented in a clear, legible, and well-structured format; and

(d) clearly highlight all applicable fees, charges, penalties, interest rates, and customer obligations.

(4) A financial services provider shall maintain up-to-date schedules of fees and charges at all branches, representative offices, and on its official website, and ensure these are accessible to customers.

(5) A financial services provider shall not unilaterally increase—

(a) periodic or incidental service fees, or alter the method of calculating such fees;

(b) interest rates applicable to fixed-rate credit agreements; or

(c) the repayment period of principal debt, without prior notice and in accordance with applicable regulations.

(6) A financial services provider shall provide customers with at least five (5) days' prior written notice of any changes to—

(a) fees or charges;

(b) the method of calculating fees or charges; or

(c) repayment arrangements.

(7) In the case of a credit agreement with a variable interest rate, a financial services provider shall provide written notice to the customer within thirty (30) days after the change takes effect, specifying—

- (a) the new interest rate; and
- (b) where applicable, the revised reference rate.

(8) Notifications of changes under this section shall be effected using communication channels reasonably likely to reach the customer, including—

- (a) individual written notice, account statements, email, or SMS;
- (b) press advertisements;
- (c) prominent displays at branches;
- (d) ATM screens; and
- (e) publication on the financial services provider's official website;
- (f) any other appropriate communication channels.

(9) A financial services provider shall implement monitoring and governance mechanisms to ensure compliance with obligations relating to disclosure of terms, conditions, and fee changes, and to address any deficiencies promptly.

Notification of Branch Relocation or Closure

41. (1) A financial services provider, including a credit and savings institution, shall provide customers with at least thirty (30) days' prior written notice of the relocation or closure of any branch.

(2) A notice issued under subsection (1) shall include—

- (a) arrangements for the orderly transfer of customer accounts, services, and business to an alternative branch or service point; and
- (b) information on the nearest available branches, automated teller machines, digital platforms, agents, or other accessible service channels.

(3) A financial services provider shall ensure that branch relocation or closure does not unreasonably disrupt customer access to financial services, particularly for vulnerable, elderly, or differently abled customers, and shall implement appropriate mitigation measures where necessary.

(4) A financial services provider shall maintain records of all notices issued under this section and shall make such records available to the Authority upon request.

Account Statements

42. (1) A financial services provider, including a credit and savings institution shall provide customers with account statements at least once every month, unless a longer interval has been expressly agreed with the customer, which shall not exceed three (3) months.

(2) An account statement issued under subsection (1) shall clearly and accurately reflect—

- (a) all transactions carried out during the statement period;
- (b) all fees, charges, and commissions applied; and
- (c) the interest rate applied during the period and the basis of its calculation, where applicable.

(3) A financial services provider shall disclose, in its terms and conditions and in the applicable Key Facts Statement, the conditions under which an account is deemed dormant or inactive.

(4) Prior to closing a dormant account or transferring funds to a Guardian Fund or other statutory fund, a financial services provider shall—

- (a) provide the customer with reasonable prior notice through communication channels reasonably likely to inform the customer; and
- (b) outline the steps required to reactivate the account or reclaim the funds.

(5) A financial services provider shall maintain records of dormant account determinations, notifications issued, and transfers effected, and shall make such records available to the Authority upon request.

Marketing and Advertisements

43. (1) A financial services provider, including a credit and savings institution, shall ensure that all marketing and advertisements are accurate, clear, and not misleading, whether by inaccuracy, exaggeration, ambiguity, omission, or otherwise.

(2) An advertisement shall clearly indicate, where applicable—

- (a) the nature and key features of the product or service;
- (b) any eligibility criteria or limitations;
- (c) applicable fees, charges, expenses, and interest rates;
- (d) material risks, penalties, withdrawal restrictions, or other significant conditions.

(3) Where an advertisement is concise or summary in nature, a financial services provider shall provide supplementary explanatory material to the customer prior to the conclusion of any binding contract.

(4) A financial services provider shall ensure that advertisements present a fair and balanced representation of the product or service, including realistic headline benefits together with the principal risks or drawbacks.

(5) A financial services provider shall provide advice that is clear, fair, and appropriate to the customer's circumstances, and shall conduct affordability assessments where offering credit or loan products to ensure that the product is suitable and sustainable for the customer.

(6) A financial services provider shall provide customers with sufficient, timely, and comprehensible information to enable them to select the most suitable and affordable product or service.

(7) A financial services provider shall implement governance, monitoring, and approval mechanisms to ensure compliance with this section and shall take prompt corrective action in the event of misleading or non-compliant marketing or advice practices.

Debt Recovery and Privacy

44. (1) A financial services provider, including a credit and savings institution (CSI), shall ensure that debt recovery and collection practices are conducted lawfully, fairly, and with due regard to the dignity and rights of customers.

(2) A financial services provider shall not engage in, or permit its employees, agents, or debt collection agencies to engage in, false, deceptive, misleading, abusive, or unfair debt collection practices, including—

(a) harassment, abusive language, threats of violence, harm, arrest, or other improper intimidation;

(b) contacting customers at unreasonable hours or in a manner intended to cause distress or embarrassment; or

(c) disclosing or publicising debt information to unauthorised third parties.

(3) Where debt recovery activities are outsourced, a financial services provider shall—

(a) establish and maintain written policies and procedures governing the conduct of the debt collection agency;

(b) ensure that customers are informed where an agency is engaged; and

(c) remain fully responsible and accountable for the actions of the agency.

(4) A financial services provider shall maintain the confidentiality of customer information and shall not disclose such information except—

(a) where disclosure is required by law;

(b) where there exists a lawful public duty to disclose; or

(c) where the customer has provided express or implied consent.

(5) A financial services provider shall ensure that customer data, including credit history and financial information—

(a) is accurate, complete, and kept up to date;

(b) is protected against unauthorised access, misuse, fraud, or abuse; and

(c) is processed in accordance with applicable data protection and consumer protection laws.

(6) Where a financial services provider participates in or operates a credit reporting or information-sharing system, it shall ensure that such systems maintain accurate, timely, and sufficient data and operate under rigorous standards of security, integrity, and reliability.

(7) A financial services provider shall implement governance, monitoring, and internal control mechanisms to ensure compliance with debt recovery and privacy obligations and shall take prompt corrective action where breaches or deficiencies are identified.

Complaints Management Mechanism

45. (1) A financial services provider, including a credit and savings institution (CSI), shall establish, implement, and maintain fair, transparent, and efficient complaints management procedures designed to ensure the prompt and equitable resolution of customer complaints.

(2) Complaints procedures shall—

(a) be documented, approved by senior management or the board, and made readily accessible to customers;

(b) be accessible through multiple communication channels, including in person, telephone, electronic mail, digital platforms, and written submissions; and

(c) provide for impartial, timely, and effective handling of disputes.

(3) A financial services provider shall specify clear timelines for the acknowledgment, investigation, and resolution of complaints, and shall communicate such timelines to customers at the time a complaint is lodged.

4) A financial services provider shall inform customers of their right to escalate unresolved complaints to the Office of the Ombudsman for Financial Services (OFS) or any other applicable alternative dispute resolution mechanism, and shall provide relevant contact details and procedures for such escalation.

(5) A financial services provider shall maintain a comprehensive complaints register recording—

(a) the nature of the complaint;

(b) actions taken to investigate and resolve the complaint;

(c) the outcome and any redress provided; and

(d) the time taken to resolve the complaint.

(6) A financial services provider shall periodically analyse complaint data to identify recurring trends, systemic issues, or root causes, and shall escalate findings to the compliance or risk management functions, senior management, and the board, with a view to implementing corrective and preventive measures.

(7) A financial services provider shall implement oversight and monitoring mechanisms to ensure the effectiveness of its complaints management framework and shall take prompt remedial action where deficiencies are identified.

Offences and Penalties

46. (1) A person who contravenes or fails to comply with these Rules commits an offence and is liable to such penalty as may be prescribed under the Act or any applicable financial services law.

(2) Without limiting subrule (1), a financial services provider, director, officer, employee, representative, agent, intermediary, or third party acting on behalf of a financial services provider commits an offence where that person—

(a) fails to comply with a directive, notice, requirement, condition, or instruction issued by the Authority under these Rules;

(b) furnishes information, records, returns, statements, or explanations to the Authority that are false, misleading, incomplete, or inaccurate in a material respect;

(c) obstructs, hinders, delays, or refuses to cooperate with the Authority or any person authorised by the Authority in the exercise of powers or performance of functions under these Rules; or

(d) causes, permits, assists, procures, or induces another person to contravene or fail to comply with these Rules.

(3) A financial services provider is responsible and accountable for any contravention of these Rules by its directors, officers, employees, representatives, agents, intermediaries, outsourced service providers, or other third parties acting on its behalf, unless the financial services provider demonstrates that it took reasonable steps to prevent, detect, and remedy the contravention.

(4) Where the Authority is satisfied that a person has contravened these Rules, the Authority may, in addition to any penalty imposed under subrule (1) and without limiting any other power available under the Act or any applicable financial services law—

(a) issue a written warning, reprimand, directive, or compliance order;

(b) require the person to take remedial, corrective, or compensatory action within a specified period;

(c) impose an administrative penalty or sanction in accordance with the Act or any applicable financial services law;

(d) vary, suspend, restrict, or revoke a licence, registration, approval, or authorisation, where permitted by law; or

(e) refer the matter for investigation, prosecution, or other enforcement action by a competent authority.

(4) In determining an appropriate penalty or enforcement action, the Authority shall have regard to—

(a) the nature, seriousness, duration, and frequency of the contravention;

(b) the extent of consumer harm, financial loss, or risk to market integrity arising from the contravention;

(c) whether the contravention was intentional, reckless, negligent, repeated, or systemic;

(d) any benefit gained, loss avoided, or advantage obtained as a result of the contravention;

(e) the degree of cooperation with the Authority and the promptness of remedial action taken; and

(f) any previous contravention, warning, directive, sanction, or enforcement action.

(6) The imposition of an administrative penalty, sanction, or remedial measure under these Rules does not preclude criminal prosecution, civil proceedings, disciplinary action, or any other remedy available under the Act or any applicable law.