

APPENDIX D

DISCLOSURE REQUIREMENTS

1. General Requirement

Banks offering electronic banking services have to adopt responsible privacy policies and information practices. They should provide disclosures that are clear and readily understandable, in writing, or in a form the consumers may print and keep.

Banks should also ensure that consumers who sign-up for a new banking service are provided with disclosures (e.g. pamphlet) informing him of his rights as a consumer.

At a minimum, the following disclosures should be provided to protect consumers and inform them of their rights and responsibilities:

- Information on the duties of the banking institution and customers.
- Information on who will be liable for unauthorized or fraudulent transactions.
- Mode by which customers will be notified of changes in terms and conditions.
- Information relating to how customers can lodge a complaint, and how a complaint may be investigated and resolved.
- Disclosures that will help consumers in their decision-making (e.g., PDIC insured, etc.)
- For internet environment, information that prompt in the bank's website to notify customers that they are leaving the banking institutions' website and hence they are not protected by the privacy policies and security measures of the banking institutions when they hyperlink to third party's website.

2. Disclosure Responsibility

- Compliance officers should review bank's disclosure statements to determine whether they have been designed to meet the general and specific requirements set in this circular.

- For banks that advertise deposit products and services on-line, they must verify that proper advertising disclosures are made (e.g. whether the product is insured or not by the FDIC; fees and charges associated with the product or services, etc.). Advertisements should be monitored to determine whether they are current, accurate, and compliant.
- For banks that issue various products like stored value cards, e-wallets, debit cards and credit cards, they must provide information to consumers regarding the features of each of these products to enable consumers to meaningfully distinguish them. Additionally, consumers would find it beneficial to receive information about the terms and conditions associated with their usage. Example of these disclosures include:
 - FDIC insured or non-insured status of the product;
 - Fees and charges associated with the purchase, use or redemption of the product;
 - Liability for lost;
 - Expiration dates, or limits on redemption; and
 - Toll-free telephone number for customer service, malfunction and error resolution.
- Whenever e-banking services are outsourced to third parties or service providers, bank should ensure that the vendors comply with the disclosure requirements of the BSP.