

**REGULATIONS ON DEPOSITORS AWARENESS TO BE CONDUCTED  
BY MEMBER FINANCIAL INSTITUTIONS**

**Made Under**

**THE DEPOSIT INSURANCE ACT**

**(Act No. 15 of 2018)**

IN THE EXERCISE OF THE POWERS CONFERRED UPON THE DEPOSIT INSURANCE CORPORATION BY SECTIONS 3 AND 53 OF THE DEPOSIT INSURANCE ACT, THE DEPOSIT INSURANCE CORPORATION HEREBY MAKES THE FOLLOWING REGULATIONS:

ARRANGEMENT OF REGULATIONS

**Regulation**

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## **Citation**

1. These Regulations may be cited as the Deposit Insurance Provision of Information to Depositors Regulations.

## **Scope**

2. The regulation applies to all member financial institutions pursuant to section 3 (2) of the Act.

## **Objective**

3. The objective of the regulation is to provide guidance to member financial institutions on their responsibility to provide information pertaining to the coverage of deposits to their clients.

## **Definitions**

4. In this regulation : –

**“client”** means current and prospective deposit customers

**“front-line staff”** means staff of the member financial institution who regularly interact with clients as part of their duties or responsibilities

**“insured limit”** means the maximum amount that is reimbursable in respect of an insured deposit.

## **Responsibility to provide information to clients**

5. (1) In accordance with section 51 (4) of the Act, the member financial institutions shall inform their clients on the coverage of deposits.

(2) The information presented by member financial institutions to their clients, in accordance with paragraph 5 (1), shall be accurate and presented in a format that is easily understood.

### **Modes of Communication**

6. The member financial institution shall provide information on deposit insurance to its clients using the following modes:
  - (a) Dissemination of Brochures, with content provided or approved by the Corporation;
  - (b) Verbally, by the front-line employees of the member financial institution who shall inform clients on the coverage of deposits as prescribed in the brochure provided by the Corporation;
  - (c) Display of decals/stickers provided or approved by the Corporation, in a conspicuous manner on or near the front entrance of the member financial institution; and
  - (d) Any other media prescribed by the Corporation from time to time.

### **Information to New Clients**

7. Without limiting part 5, member financial institutions shall inform all new clients of deposit insurance and the types of deposits which would be covered by deposit insurance in accordance with the definition of deposit in section 2 (1)(q) of the Financial Institutions Act 1995.

### **Responsibility to Provide Training**

8. (1) The Corporation shall provide regular training to member financial institutions on the features, benefits and limitations of the Deposit Insurance Scheme.
  - (2) The member financial institution shall be responsible for training its staff, especially front-line employees to provide sufficient and accurate information on deposit insurance to clients.

### **Limits on Advertising**

9. (1) Member financial institutions may refer to their membership in the Deposit Insurance Scheme, in advertisements by displaying the logo of the Corporation, and using any of the following representations:
- (a) “A Member of the Deposit Insurance Scheme”
  - (b) “[Name of member financial institution] – a Member of the Deposit Insurance Scheme”
  - (c) “[Name of member financial institution] is a Member of the Deposit Insurance Scheme”
- (2) A member financial institution shall use any of the representations described in part 9(1), provided that the representation does not give the impression that a product which is not insured is covered by the Scheme.

### **Caution Statement for Trust, Joint and Nominee Accounts**

10. In providing information to clients concerning the coverage of insured deposits, member financial institutions shall have regard for the following:
- (i) Funds held by a nominee for the benefit of a principal, ward, minor or patient and deposited in one or more deposit accounts shall be added to any individual accounts of the principal, ward, minor or patient in applying the insured limit.
  - (ii) Funds held in trust accounts shall not be combined with the individual accounts or the trustee, settlor or beneficiary under the trust, in applying the insured limit.
  - (iii) Funds held in a joint account shall be considered one account in applying the insured limit.

### **Client request for information**

11. (1) If a client requests information on Deposit Insurance which is beyond the scope of the material provided by the Corporation to the member financial institution, or which the member financial institution is unable to answer with sufficient certainty, the member financial institution shall refer such clients to the Corporation.
- (2) In providing contact information of the Deposit Insurance Corporation, the member financial institution shall be deemed to have satisfied its obligation under paragraph 11(1).

### **Removal of References to Membership**

12. (1) When a member financial institution ceases to use a branch or place of business, it shall remove from the location all references to its status as a member institution and to the deposit insurance provided by the Corporation, including displays of the membership sign, brochure and logo at that branch or place of business.

(2) When a financial institution ceases to be a member of the Corporation, it shall immediately remove from each of its places of business all references to its status as a member institution and to the deposit insurance provided by the Corporation, including displays of the membership sign, brochure and logo.

### **Administrative Sanctions**

13. In accordance with section 50 (1) and (2) of the Act, member financial institutions may be sanctioned for failure to comply with these regulations.