



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Credit Card and Credit Card-i

Applicable to -

1. Approved issuers of credit card and credit card-i
2. Registered merchant acquirers of credit card and credit card-i

TABLE OF CONTENTS

PART A	OVERVIEW	1
1.	Introduction.....	1
2.	Applicability	1
3.	Legal provisions	1
4.	Effective date.....	2
5.	Interpretation	2
6.	Related legal instruments and policy documents	3
7.	Policy documents superseded.....	4
PART B	APPROVED SHARIAH CONCEPT	5
8.	Shariah concept	5
9.	Tawarruq based credit card-i	5
10.	Ujrah based credit card-i	6
PART C	BUSINESS CONDUCT	7
	Eligibility, minimum monthly repayment and automatic balance conversion requirements.....	7
11.	Minimum age and income requirements.....	7
12.	Placement of deposit.....	7
13.	Minimum monthly repayment	8
14.	Automatic Balance Conversion	9
15.	Fees and charges.....	10
16.	Tiered pricing fee or profit structure.....	10
17.	Risk categories.....	10
18.	Finance charges.....	11
19.	Profit or fee rate.....	11
20.	Late payment charge.....	12
	Disclosure and transparency	13
21.	Key disclosure principles and requirements	13
22.	Usage of credit card products for unlawful activities.....	19
23.	Disclosure on fraud prevention and cardholder awareness.....	19
24.	Disclosure for advertisement.....	20
	Investigation and assessment of fraud cases	21
25.	Liability of supplementary cardholder	21
26.	Liability of unauthorised transaction	21
27.	Investigation and assessment of dispute cases	22
28.	Communication of decision	23
29.	Marketing practices	24
30.	Unsolicited card/credit advance/credit limit increase	25
	Other requirements	26
31.	Debt collection.....	26
32.	Cardholder information	26
33.	Complaints management.....	27

PART D	RISK MANAGEMENT	28
34.	Effective Board and senior management oversight	28
35.	Comprehensive security policies, procedures and controls.....	28
36.	Robust operational reliability and business continuity	31
37.	Outsourcing risk management.....	31
38.	Credit risk management	33
39.	Liquidity risk management.....	36
	Fraud risk management	36
40.	Fraud monitoring and detection.....	36
41.	Opt-in requirements for card-not-present and overseas transactions.....	37
42.	Fraud mitigation measures for card application, delivery and activation .	38
43.	Requirements when changing cardholder's contact details.....	38
44.	Transaction authentication	39
45.	Use of secure device to authenticate card transaction	39
46.	Contactless transaction	39
47.	Kill switch.....	40
48.	Cooling off period for higher risk activity	40
49.	Hotline	40
50.	Transaction alerts	41
APPENDICES		43
	Appendix I - Product Disclosure Sheet (Credit Card and Credit Card-i) ..	43
	Appendix II - Minimum payment warning statement.....	46
	Appendix III - Standard illustrative example on how long it would take to pay off outstanding balance.....	46
	Appendix IV - Minimum disclosure in monthly statement	47
	Appendix V - Statement on minimum monthly repayment.....	48
	Appendix VI - Example of services, privileges and benefits as well as allowable fees and charges on <i>ujrah</i> based credit card-i.....	49

PART A OVERVIEW

1 Introduction

- 1.1 Credit cards and credit cards-i are a key payment instrument in Malaysia with usage that continues to grow. In tandem with the continued increase in usage of payment cards, particularly for e-commerce transactions both domestically and overseas, the potential exposure of payment cards to fraud has also risen which could impact the integrity of the domestic payment systems. This limited review aims to enhance business conduct, strengthen risk management, and improve fraud prevention and case handling of credit cards, in preserving users' confidence in the overall payment card ecosystem.

2 Applicability

- 2.1 This policy document is applicable to all credit card and credit card-i (credit card products) issuers and acquirers with the exception of –
- (a) Paragraphs 13.4, 13.5, 18, 20.2, 20.3, 21.14 to 21.16 and 24.15 which are only applicable to credit card issuers; and
 - (b) Paragraphs 8, 9, 10, 13.6, 13.7, 19, 20.4, 20.5, 20.6, 21.17 and 21.18 which are only applicable to credit card-i issuers.
- 2.2 The requirements of this policy document shall apply to credit card products offered to:
- (a) Individuals;
 - (b) Micro, small and medium enterprises (MSMEs); and
 - (c) Corporate cardholders,
- with the exception of requirements under paragraphs 15, 21, 24, 25, 26, 29, 30 and 31 which shall only apply to credit card products offered to individuals, micro and small enterprises. However, issuers are encouraged to adopt similar standards under these sections for credit card products offered to medium enterprises and other corporate cardholders.

3 Legal provisions

- 3.1 The requirements in this policy document are issued pursuant to:
- (a) Sections 18(2), 33(1), 47(1), 49 and 123(1) of the Financial Services Act 2013 (FSA);
 - (b) Sections 22(2), 29(1), 29(2), 43(1), 57(1), 76(3) and 135(1) of the Islamic Financial Services Act 2013 (IFSA); and
 - (c) Sections 33(E)(1), 33(E)(2), 41(1) and 42(C)(1) of the Development Financial Institutions Act 2002 (DFIA).
- 3.2 The guidance in this policy document is specified pursuant to section 266 of the FSA, section 277 of the IFSA, and section 126 of the DFIA.

4 Effective date

- 4.1 This policy document comes into effect immediately upon issuance.
- 4.2 Requirements which have other effective dates are as follows:
- (a) Paragraph 27 and 28 which come into effect on 1 April 2026;
 - (b) Paragraph 21.2 on -
 - (i) New credit card products which comes into effect on 1 June 2026;
 - (ii) Existing credit card products which comes into effect on 1 January 2027; and
 - (c) Paragraph 44.3, 44.4, 45.1, 48, 50.2, 50.3(e) and 50.4(f) which come into effect on 1 January 2027.

5 Interpretation

- 5.1 The terms and expressions used in this policy document shall have the same meanings assigned to them in the FSA, IFSA or DFIA, as the case may be, unless otherwise defined in this policy document.

- 5.2 For the purpose of this policy document–

“**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretive, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted;

“**acquirer**” refers to any person who has been registered by the Bank under section 18(1) of the FSA to provide merchant acquiring services;

“**balance transfer plan**” refers to a plan that allows a user to transfer outstanding balances from credit card products accounts held with other issuers to a credit card products account of the issuer offering the balance transfer plan and the user shall pay the issuer by way of monthly instalments over a specific period;

“**Bank**” refers to Bank Negara Malaysia;

“**credit card**” refers to a payment instrument which indicates a line of credit or financing granted by the issuer to the user and where any amount of the credit utilised by the user has not been settled in full on or before a specified date, the unsettled amount may be subject to interest, profit or other charges;

“**credit card-i**” refers to an Islamic payment instrument which indicates a line of credit or financing based on Shariah principles

granted by an issuer to the user and where any amount of the credit or financing utilised by the user has not been settled in full on or before a specified date, the unsettled amount may be subjected to a lesser rebate (*ibra'*) by the issuer;

“easy payment plan” means a facility offered to a user to pay the issuer by way of monthly instalments over a specific period of time for –

- (a) The purchase of goods or services from the issuer’s participating merchants;
- (b) The repayment of outstanding credit card product balances; or
- (c) A cash loan taken against the credit card product’s line of credit;

“financial institution” refers to any person licensed under the FSA or the IFSA or a prescribed institution under the DFIA;

“issuer” refers to a person who has obtained approval from the Bank under section 11 of the FSA to issue credit card, or section 15 of the FSA or section 11 of the IFSA to issue credit card-i;

“micro, small and medium-sized enterprises” is as defined in the Guideline for Small Medium Enterprise (SME) Definition issued by the SME Corporation Malaysia¹;

“representatives” and “agents” refer to any individual or firm acting on behalf of an issuer or acquirer;

“senior management” refers to the chief executive officer (CEO) and senior officers, who are employed by a financial institution or an affiliate of the financial institution. This includes, at minimum, senior management roles listed in Appendix 2 of the Policy Document on Responsibility Mapping²; and

“user” refers to any person whom a credit card product has been issued to and here on referred to as a cardholder.

6 Related legal instruments and policy documents

- 6.1 This policy document must be read together with other relevant legal instruments and policy documents that have been issued by the Bank, including any amendments or reissuances thereafter, in particular-
- (a) Circular on Fair Debt Collection Practices issued on 10 September 2007;
 - (b) Guidelines on Imposition of Fees and Charges on Financial Products and Services issued on 10 May 2012;
 - (c) Policy Document on Stress Testing issued on 15 June 2017;
 - (d) Policy Document on Qard issued on 26 February 2018;

¹ Issued in 2013, including any amendments or modifications made thereof.

² Issued on 29 December 2023, including any amendments and reissuances thereafter.

- (e) Policy Document on Tawarruq issued on 28 December 2018;
- (f) Policy Document on Outsourcing issued on 23 October 2019;
- (g) Policy Document on Risk-Based Authentication for Online Payment Card Transactions issued on 4 November 2020;
- (h) Policy Document on Merchant Acquiring Services issued on 15 September 2021;
- (i) Policy Document on Business Continuity Management issued on 19 December 2022;
- (j) Policy Document on Fair Treatment of Financial Consumers issued on 27 March 2024;
- (k) Specification Letter on Requirements on Card-Not-Present for Toll-Related Transactions issued on 17 April 2024;
- (l) Policy Document on Product Transparency and Disclosure issued on 3 December 2024;
- (m) Policy Document on Credit Risk issued on 5 December 2024;
- (n) Specification Letter on Ujrah-based Credit Card-i issued on 16 December 2024;
- (o) Policy Document on Complaints Handling issued on 28 March 2025;
- (p) Policy Document on Responsible Financing issued on 30 September 2025;
- (q) Policy Document on Management of Customer Information and Permitted Disclosures issued on 31 October 2025; and
- (r) Policy Document on Risk Management in Technology issued on 28 November 2025.

7 Policy documents superseded

- 7.1 This policy document supersedes the Policy Document on Credit Card and Policy Document on Credit Card-i issued on 2 July 2019.

PART B APPROVED SHARIAH CONCEPT

8 Shariah concept

- S** 8.1 Issuer shall put in place appropriate processes, mechanisms and safeguards to ensure that a credit card-i is not used for non-Shariah compliant transactions.
- S** 8.2 Issuer shall ensure the *aqad* is expressed orally, in writing or by any other methods recognised by Shariah, in the case where there is a change in credit limit.
- S** 8.3 Where the issuer applies new concepts ascertained by the Shariah Advisory Council (SAC) to be Shariah-compliant to a credit card-i issued by the issuer, the issuer shall comply with the applicable standards on Shariah contract issued by the Bank and ascertainment of Islamic law by the SAC that has either been published or communicated to the issuer by the Bank.
- S** 8.4 Issuer shall obtain the Bank's approval prior to changing the underlying Shariah concept for its credit card-i product.
- S** 8.5 Issuer shall ensure that the following conditions on fees charged to cardholders are complied with:
- (a) Cash advance or withdrawal fees must be based on actual cost incurred by the issuer, without mark-up elements. The cost can be based on estimates if there are difficulties to compute the actual cost; and
 - (b) Differentiated annual fees for various types of credit card-i are permissible provided that such fees are charged for bundled benefits and not tied to monetary benefits (e.g., cashback, rebate) to avoid *riba al-fadl* (exchange of money for money at unequal values).

9 Tawarruq based credit card-i

- S** 9.1 Issuer shall ensure that the following general conditions on the application of *tawarruq* concept in credit card-i are complied with:
- (a) The issuer purchases an identified commodity from a commodity broker and sells the commodity at an agreed selling price (cost plus profit) on a deferred basis to a cardholder;
 - (b) The cardholder then sells the commodity to another commodity broker at cost and on a spot basis through the issuer as an appointed agent;
 - (c) The proceeds from the sale of commodity shall constitute the cardholder's credit limit for the purpose of utilisation by the cardholder; and
 - (d) The issuer shall charge actual profit to the cardholder based on the utilisation of the credit limit by the cardholder and must grant *ibra'* to the cardholder on the unutilised portion.

10 Ujrah based credit card-i

- S** 10.1 Under the concept of *ujrah* (fee), issuer shall provide a cardholder identified services, benefits and privileges in exchange for a fee.
- G** 10.2 The credit limit of the credit card-i may be assigned on the basis of *qard* (loan), e.g. for retail purchase or cash withdrawal or any other mode of utilisation as determined by the issuer from time to time.
- S** 10.3 Issuer must ensure that the following general conditions on the application of *ujrah* concept in credit card-i are complied with:
- (a) *Ujrah* is allowed to be charged on credit card-i. The *ujrah*³ are charged on services, benefits and privileges that must be permissible in Shariah;
 - (b) The *ujrah* must be a fixed amount and shall not be based on the credit limit. The total *ujrah* charged must be based on the type of credit card-i (e.g., platinum, gold or silver) instead of the credit limit;
 - (c) The imposition of *ujrah* on services, benefits and privileges must not constitute any element of *riba*. This shall apply in the following context:
 - (i) *Ujrah* must be charged on the Shariah compliant services, benefits and privileges. *Ujrah* must not be imposed on an extension granted for loan repayment, delay in loan repayment or exchange of cash with cash at a different value (cash back services);
 - (ii) For services related to the provision of loans, delay in loan repayment and cash back services, the issuer is only allowed to charge the direct costs incurred in providing such services. Among the services in this category are cash withdrawal services and retail services; and
 - (d) The actual/effective *ujrah* or *ibra'* must not be based on the outstanding *qard* amount.

³ Refer to Appendix VI for example of services, privileges and benefits as well as allowable fees and charges of *ujrah* based credit card-i.

PART C BUSINESS CONDUCT

Eligibility, minimum monthly repayment and automatic balance conversion requirements

11 Minimum age and income requirements

- S** 11.1 Issuer shall ensure that a principal cardholder is at least twenty-one (21) years old and earns at least a minimum income of RM24,000 per annum.
- S** 11.2 Issuer shall ensure that the following restrictions are applied to a principal cardholder who earns RM36,000 per annum or less:
- (a) the cardholder can only hold credit card products from a maximum of two (2) issuers⁴; and
 - (b) the maximum credit limit extended to the cardholder shall be two (2) times his monthly income per issuer. This is applicable to **both existing and new cardholders**.
- S** 11.3 The income requirement under paragraph 11.1 and restrictions under paragraph 11.2 do not apply to retirees. Issuer shall assess the creditworthiness of card applicants based on the criteria specified by the issuer, which shall include conducting affordability assessment as prescribed in the Policy Document on Responsible Financing⁵.

12 Placement of deposit

- S** 12.1 Issuer who intends to issue credit card products to a person who is unable to prove his annual income, but meets the minimum age requirement, shall require the applicant to place a deposit (fixed deposit for credit card) of an amount equivalent to the credit limit granted to such person.
- S** 12.2 The deposit shall be placed with the issuer. Where the issuer is not a financial institution, the deposit shall be placed with the financial institution that is providing the line of credit to the cardholder.
- S** 12.3 Issuer shall ensure that the deposit is maintained for as long as the credit card product facility is available.

⁴ Refer to both conventional credit card and credit card-i issuers

⁵ Issued on 30 September 2025, including any amendments and reissuances thereafter.

13 Minimum monthly repayment

- S** 13.1 Issuer shall require a cardholder to make a minimum monthly repayment comprising:
- (a) At least 5% of the total amount outstanding;
 - (b) The total amount of the contracted monthly instalments of any easy payment plan (EPP) and balance transfer plan (BTP)⁶; and
 - (c) The contracted monthly term loan instalment for any Automatic Balance Conversion under paragraph 14.1.

- S** 13.2 For the purposes of ensuring a smooth implementation of the requirements in paragraph 13.1, issuer shall:
- (a) Create awareness of the requirements on its websites, mobile application as well as via email notification as appropriate;
 - (b) Reflect the requirements prominently in the Product Disclosure Sheet (PDS) as well as the terms and conditions;
 - (c) Train front-line staff to clearly explain to cardholders the requirements and their implications; and
 - (d) Advise EPP merchants to inform cardholders at the point of signing up for the EPP.

- S** 13.3 Issuer shall provide cardholders with a grace period of at least four (4) calendar days after the payment due date. This is to cater for payment due dates falling on weekends or public holidays.

Paragraphs 13.4 and 13.5 are applicable to credit card issuers only

- S** 13.4 Issuer shall allocate the payments received from a cardholder to settle the balances (i.e., items appearing in the statement) according to their interest rates, with items attracting the highest interest rate to be paid first.

- G** 13.5 Where the interest rate imposed on cash advances is 18% per annum and on retail transactions is less than 18% per annum, the payments received from a cardholder should first be used to settle the balance outstanding in the following order:
- (a) Cash advances;
 - (b) Retail transactions, including the monthly instalments of EPP and BTP; and
 - (c) Other fees and charges, e.g., annual fee and late payment fee.

Paragraphs 13.6 and 13.7 are applicable to credit card-i issuer only

- S** 13.6 Where partial payment received from a cardholder is equal or less than the minimum monthly payment stated in paragraph 13.1, issuer must not allocate more than 30% of such amount to settle the profit or fee portion of the balances.

⁶ Issuer must ensure that the requirement applies to EPP and BTP signed up by a cardholder from 2 October 2019.

- S** 13.7 Issuer shall allocate any excess payment received above the minimum monthly payment amount to settle the balances (i.e., items appearing in the statement) according to their profit or fee rates, with items attracting the highest profit or fee rate to be paid first.

14 Automatic Balance Conversion

- S** 14.1 Issuer shall apply the Automatic Balance Conversion (ABC) on a vulnerable cardholder as specified in paragraph 14.2 by converting his outstanding credit card or credit card-i balances into a three (3) year term loan, at an effective interest/profit rate of not more than 13% per annum.
- S** 14.2 For purposes of paragraph 14.1, the issuer shall adopt the following description of a vulnerable cardholder:
- (a) Earns a monthly income of up to RM5,000;
 - (b) Is a consistent revolver over the past twelve (12) months; and
 - (c) Has made an average monthly repayment of 10% or less of his outstanding balances in the past twelve (12) months.
- S** 14.3 Issuer shall ensure that the following ABC requirements are complied with:
- (a) The cardholder is given a thirty (30) calendar days cooling-off period to opt out from the ABC for the first conversion exercise without having to incur any penalty;
 - (b) For subsequent conversion exercises, the cardholder is given the opportunity to opt out of an offer before the conversion commences;
 - (c) The outstanding balance converted into the term loan is treated as part of the credit card limit. The credit limit shall be restored only after the term loan/financing is fully repaid/paid;
 - (d) The monthly term loan/financing instalment must be paid in full, as part of the minimum monthly repayment due; and
 - (e) For credit card, the cardholder is allowed to early settle the term loan without having to incur any penalty. For credit card-i, where the cardholder early settles the term financing, the issuer shall grant rebate where applicable, without imposing any charge.
- S** 14.4 For the purposes of ensuring a smooth implementation of paragraphs 14.1 to 14.3, issuer shall:
- (a) Inform the vulnerable cardholders concerned (i.e. in writing or via electronic means) on the ABC at least two (2) months before the first conversion. This includes providing a link on the issuer's website to a common site which contains detailed information on the ABC programme;
 - (b) Inform the vulnerable cardholder who has been enrolled into the ABC at least thirty (30) calendar days before each conversion. For the first conversion, the issuer shall clearly inform the vulnerable cardholder of the thirty (30) day cooling-off period; and

- (c) Reflect all the key information on the ABC in the relevant PDS as well as the terms and conditions.

15 Fees and charges

- S** 15.1 For over-the-limit transactions, issuer shall obtain all new cardholders' expressed consent at the point of application with clear disclosure of relevant charges. For all existing cardholders, expressed consent shall be obtained using appropriate channels, such as mail, electronic means, telephone or in person, with clear disclosure of relevant charges.
- G** 15.2 Paragraph 15.1 is not applicable to the following transactions:
- (a) Stand-in processing transactions;
 - (b) Interest/profit or fees imposed by the issuer; and
 - (c) Auto-debit transactions.
- S** 15.3 Issuer shall not impose over-the-limit fees or compensation charges in the event a cardholder's account exceeds the credit limit as a result of items (a) and (b) in paragraph 15.2 or if the excess over-the-limit is due to temporary authorisation holds placed by merchants.

16 Tiered pricing fee or profit structure

- S** 16.1 Issuer shall implement a tiered pricing fee or profit structure for credit card products according to different risk categories.

17 Risk categories

- S** 17.1 Under the tiered pricing fee or profit structure, issuer shall categorise cardholders into the following tiers:
- (a) Tier-I: Cardholders who promptly settle their minimum payment amount due for twelve (12) consecutive months;
 - (b) Tier-II: Cardholders who promptly settle their minimum payment amount due for ten (10) months or more in a twelve (12)-months cycle; and
 - (c) Tier-III: Cardholders who do not fall within the above categories.
- G** 17.2 With reference to paragraph 17.1, the issuer, in its risk assessment of cardholders, may impose less stringent requirements, for example, less than twelve (12) consecutive months or less than ten (10) months for Tier-I and Tier-II groups respectively.

Paragraphs 18.1 to 18.3 are applicable to credit card issuers only

18 Finance charges

- S** 18.1 Issuer shall not impose finance charges on the portion of balances that relates to finance charges that were carried forward from the previous credit card statement unless the issuer has implemented the requirements under paragraphs 14.1 to 14.4. Issuer shall ensure that finance charges for retail transactions and cash advances are as follows:
- (a) Finance charges for retail transactions shall be capped as follows:
 - (i) Tier-I: Maximum of 1.25% per month, which is equivalent to 15% per annum, of the total outstanding balance;
 - (ii) Tier-II: Maximum of 1.42% per month, which is equivalent to 17% per annum, of the total outstanding balance; and
 - (iii) Tier-III: Maximum of 1.5% per month, which is equivalent to 18% per annum, of the total outstanding balance.
 - (b) Finance charges for cash advances shall be capped at a maximum of 1.5% per month, which is equivalent to 18% per annum.
- S** 18.2 If a cardholder does not have any carried forward balance in his credit card account, issuer shall grant an interest-free period of at least twenty (20) calendar days from the statement date of all retail transactions paid with the credit card.
- G** 18.3 Issuer may extend the benefit stipulated in paragraph 18.2 to all the cardholders regardless of the account standing.

Paragraphs 19.1 to 19.4 are applicable to credit card-i issuers only

19 Profit or fee rate

- S** 19.1 Issuer shall ensure that the profit or fee is imposed on retail transactions and cash withdrawal transactions only and the issuer shall grant *ibra'* to a cardholder for the unutilised portion of the total profit or fee. Further, the issuer must be in compliance with the following requirements:
- (a) Profit or fee rate for retail transactions shall be capped as follows:
 - (i) Tier-I: Maximum of 1.25% per month, which is equivalent to 15% per annum of the total outstanding balance;
 - (ii) Tier-II: Maximum of 1.42% per month, which is equivalent to 17% per annum of the total outstanding balance; and
 - (iii) Tier-III: Maximum of 1.5% per month, which is equivalent to 18% per annum of the total outstanding balance.
 - (b) Profit or fee rate for cash withdrawal transactions shall be capped at a maximum of 1.5% per month, which is equivalent to 18% per annum.

- S** 19.2 With respect to paragraph 19.1, issuer shall not impose any profit or fee on the portion of outstanding balances that relate to the profit or fee that is carried forward from the previous statement.
- S** 19.3 If a cardholder does not have any carried forward balance in his credit card-i account, issuer shall not impose a profit or fee for at least twenty (20) calendar days from the statement date of all retail transactions paid with the credit card-i.
- G** 19.4 Issuer may extend the benefit stipulated in paragraph 19.3 to all cardholders regardless of the account standing.

20 Late payment charge

- G** 20.1 Issuer may impose a late payment charge for payments not received after the due date as per paragraph 13.3.

Paragraphs 20.2 and 20.3 are applicable to credit card issuer only

- S** 20.2 The late payment charge shall only be applicable to retail transactions and cash advances. The late payment charge shall be the lower of 1% of the outstanding balance or RM100. If issuer intends to set a minimum late payment charge, it shall not exceed RM10.
- S** 20.3 Charges for late payment must not be added to the outstanding amount for computing interest due.

Paragraphs 20.4 to 20.6 are applicable to credit card-i issuer only

- S** 20.4 The late payment charge shall only be applicable to retail transactions and cash withdrawal transactions. The late payment charge shall be the lower of 1% of the outstanding balance or RM100. If issuer intends to set a minimum late payment charge, it shall not exceed RM10. The issuer shall place the excess charge in a *gharamah* account if the charge imposed is more than the actual cost borne.
- S** 20.5 Issuer shall also consider any difficult circumstances faced by a cardholder and give an extension for payment or reduce the charge for late payment where appropriate.
- S** 20.6 Late payment charges and monthly profit charges shall not be compounded.

Disclosure and transparency

21 Key disclosure principles and requirements

- S** 21.1 Issuer shall comply with the policy requirements stipulated in the Policy Document on Product Transparency and Disclosure⁷. Where information is disclosed through digital channels, issuer shall comply with requirements on digital disclosure outlined in paragraph 11 of the said policy document.
- S** 21.2 Issuer shall provide a PDS (in the order and sequence of items as specified in the PDS template provided in Appendix I) for cardholders to make product comparisons and informed decisions. The issuer shall comply with the “Notes on PDS requirements” provided in the PDS template.
- Pre-contractual stage*
- S** 21.3 **Features of credit card products**
Issuer shall inform cardholders of the key features of the credit card product, including the underlying Shariah concept for credit card-i.
- S** 21.4 **Finance charges, profit or fee rates and other charges**
(a) Issuer shall inform a cardholder that finance/profit or fee charges/rates apply if any credit card products outstanding amount is not fully paid by the due date; and
(b) Issuer shall disclose in the PDS all applicable fees and charges in relation to the credit card products, the amount and frequency of payment. These would include the annual fee for a principal and supplementary cardholder and transaction fees for cash advances/cash withdrawal.
- S** 21.5 **Placement of collateral**
(a) Issuer shall inform a cardholder, who can meet the minimum eligibility requirements but is unable to provide documented evidence of income, of the requirement for placement of deposit of an amount equivalent to the credit limit, as a collateral; and
(b) Issuer shall inform the cardholder that the deposit shall be maintained for as long as the credit card product is available.
- S** 21.6 **Promotional items**
A cardholder shall be made aware of the conditions tied to any promotional item and the implications of not complying with such conditions, if any.

⁷ Issued on 3 December 2024, including any amendments and reissuances thereafter.

- S** 21.7 Disclosure by intermediary
Issuer shall ensure that the sales and marketing representatives describe clearly the key terms and conditions of the credit card product being offered, in particular those imposing liabilities or obligations on the cardholder and the applicable fees and charges.

At the point of entering into a contract

- S** 21.8 Terms and conditions
- (a) Issuer shall make the written terms and conditions of the credit card product readily available to the cardholder. The document shall contain clear and concise description of the major terms and conditions which impose liabilities or obligations on the cardholder (principal and supplementary). Such terms shall be described in plain language, which is easily understood by the cardholder;
 - (b) Issuer shall advise a cardholder to read and understand the terms and conditions before signing the agreement and using the credit card product. Issuer shall take reasonable steps to draw the cardholder's attention to the terms that have implications on cardholder liability; and
 - (c) Issuer shall ensure that customer service staff and sales and marketing representatives are able to answer queries on the credit card product terms and conditions in a timely manner. The hotlines for customer service shall be published in brochures, monthly billing statements, web pages and at the back of the credit card product.
- S** 21.9 Right to set off
Issuer shall clearly inform a cardholder if the issuer has the right to set off any credit balance in the cardholder's deposit account against any debit balance in the credit card product account.
- S** 21.10 Right to outsource debt collection and sell impaired loans
Issuer shall inform a cardholder of its rights to outsource debt collection to an external agency and the right to sell impaired loans to a third party.
- S** 21.11 Liability of principal and supplementary cardholders
Issuer shall ensure that a principal cardholder is made aware of his liability for all debts incurred by supplementary cardholder(s).
- S** 21.12 Cash advance/withdrawal
Issuer shall disclose the daily withdrawal limit, and the relevant fees, including the amount of the minimum charge, if a cash advance/withdrawal facility is available to cardholders.
- S** 21.13 Usage of credit card products outside Malaysia
Issuer shall inform cardholders of the relevant charges, transaction fees and currency conversion fees applicable on the use of the credit

card products for purchase transactions and cash withdrawals outside Malaysia.

Paragraphs 21.14 to 21.16 are applicable to credit card issuer only

- S** 21.14 Terms of repayment
Issuer shall inform a cardholder of the minimum monthly repayment requirement and highlight to the cardholder the consequences of partial repayment or only the minimum monthly repayment.
- S** 21.15 Default
Issuer shall inform a cardholder of the possible actions that may be taken by the issuer in the event of default by the cardholder, for instance, legal proceedings.
- S** 21.16 Change in credit limit
(a) Issuer shall inform a cardholder of any reduction in the credit limit; and
(b) Any increase in credit limits shall be subject to the conduct of an affordability assessment in accordance with the Policy Document on Responsible Financing⁸ and compliance with paragraphs 11.3 of this policy document.

Paragraphs 21.17 and 21.18 are applicable to credit card-i issuer only

- S** 21.17 Terms of payment
(a) Issuer shall inform a cardholder of the minimum monthly payment requirement and highlight to the cardholder the consequences of partial payment or only the minimum monthly payment; and
(b) Issuer shall inform a cardholder of the proportion of the payment made that will be allocated to settle profit or fee charges and the outstanding balances.
- S** 21.18 Default mechanism
Issuer shall explain clearly the default mechanism based on the different Shariah concepts applicable to the credit card-i product. Illustrations shall be provided to ease a cardholder's understanding of the default mechanism.
- S** 21.19 Cardholder's responsibilities
Issuers shall provide clear and prominent notice to cardholders at the point of entering into a contract, of cardholders' responsibilities to:
(a) Abide by the terms and conditions for the use of the credit card products;
(b) Take reasonable steps to carry out the following obligations:
(i) To not disclose the PIN or security credentials (e.g., passcode) to any other person;

⁸ Issued on 30 September 2025, including any amendments and reissuances thereafter

- (ii) To not allow any other person to use the credit card product and PIN;
 - (iii) To not disclose the details of the credit card product to a third party except to facilitate payment and purchase authorisation or to provision the credit card product on a mobile wallet;
 - (iv) To not record or write down the PIN or security credentials on the credit card products, or on anything kept in close proximity with the card;
 - (v) To not use a PIN or security credential that is predictable and can be easily associated to the cardholder such as birth date, identity card, passport, driving license or contact number; and
 - (vi) To keep their security device secure at all times.
- (c) Notify the issuer as soon as reasonably practicable after having discovered that the credit card product is lost, stolen, an unauthorised transaction has occurred or the PIN and security credentials may have been compromised;
 - (d) Notify the issuer immediately upon receiving a transaction alert if the transaction was unauthorised;
 - (e) Notify the issuer immediately of any change in the cardholder's contact number;
 - (f) Use the credit card product responsibly, including not using the card for unlawful activity; and
 - (g) Check the account statement periodically and report any discrepancy without undue delay.

During the term of the contract

S 21.20

Statement

- (a) Issuer shall provide a monthly statement to a cardholder indicating the outstanding balance, the minimum repayment, the amount credited and charged, including interest and other non-interest charges, and the dates when those amounts were posted to the account;
- (b) Issuer shall provide a minimum payment warning statement (in a box, 12-point font and bold) on the front page of the monthly statement (refer to the sample in Appendix II). Issuer shall advise a cardholder to use the calculator available on the issuer's website to compute the length of time it would take to fully settle the balance outstanding based on different repayment amounts. On the back page of the monthly statement, issuer shall provide a standard illustrative example as per the format in Appendix III;
- (c) The back page of the monthly statement shall also, at the minimum, disclose the information in a standard table as set out in Appendix IV. This information shall be made clearly visible (i.e., shall not be in light shade and less than 8-point font size);
- (d) Issuer shall inform a cardholder on the front page of the last statement of the year, of the length of time it would take to fully

- settle the cardholder's actual existing balance outstanding and the total interest cost assuming there is no new transaction on the credit card product (refer to the sample in Appendix V);
- (e) In addition to the above, the last statement of the year shall provide information on the total credit utilised, total interest cost/profit or fee, and total charges imposed to encourage prudent use of the credit card product; and
 - (f) For a cardholder who opts to receive e-statements, issuer shall ensure that the information on the e-statement is the same as the hardcopy statement.
- S** 21.21 Closure of account
- (a) Issuer shall allow a cardholder to close his credit card product account at any time without being subjected to any fees and charges or a cumbersome account closure procedure; and
 - (b) In the event that there is a credit balance in the credit card product account, issuer shall refund such balance to the cardholder within thirty (30) calendar days from the date of receipt of a closure request.
- S** 21.22 Changes to the terms and conditions
- (a) Should there be any change in the terms and conditions other than a change in credit limit, issuer shall provide at least twenty-one (21) calendar days' notice to a cardholder before the new terms and conditions take effect;
 - (b) Should there be any change in fees and charges to the credit card product account, issuer shall communicate to the cardholder at least twenty-one (21) calendar days prior to the effective date of the change; and
 - (c) Communication of such changes to cardholders shall be done in writing or via electronic means.
- S** 21.23 Intention to set-off
- Issuer shall inform the cardholder at least seven (7) calendar days in advance on the issuer's intention to set-off a credit balance in the cardholder's deposit account against a debit balance in the credit card product account, if issuer has the right to set-off any credit balance in a cardholder's deposit account against any outstanding balance in the credit card products account.
- G** 21.24 Issuer may concurrently earmark the available funds in the cardholder's deposit account against the outstanding balance in the credit card products account upon the issuance of the notice to the cardholder.
- S** 21.25 Delinquent account
- (a) Issuer shall clearly inform a cardholder that the issuer reserves the right to terminate the cardholder's credit card products in the event of a specified number of consecutive defaults in the minimum monthly repayment;

- (b) Issuer shall ensure that a delinquent cardholder is given sufficient reminders on the amount outstanding and interest incurred on the delinquent credit card product account and warnings of possible recovery actions if reminders to settle the amount outstanding are ignored;
- (c) Issuer shall inform a cardholder at least seven (7) calendar days in advance if the collection of debt for the delinquent account is to be outsourced to a third-party debt collection agency. This notification time frame shall also apply to a cardholder whose delinquent credit card products account has been classified as impaired and sold to a third party. In this regard, the issuer shall notify the affected cardholder of the sale of the credit card products account within seven (7) calendar days of obtaining a vesting order from the Court;
- (d) Issuer shall inform a cardholder of the impact on the cardholder's rights and obligations after the account has been transferred to a third-party debt collection agency or sold to a third-party, in the notice;
- (e) Issuer shall ensure that a cardholder is informed and understands that under specific circumstances where the cardholder is not contactable, the issuer is considered to have fulfilled the obligations if such notice has been sent to the last known address of the cardholder at least seven (7) calendar days in advance;
- (f) Issuer shall provide a cardholder with the name and contact details of the appointed third-party debt collection agency or the third party to whom the impaired loan has been sold; and
- (g) Issuer shall also inform a cardholder of the services of Agensi Kaunseling Dan Pengurusan Kredit by inserting the note below in all reminders sent to the cardholder (disclosure in less than 8-point font is not allowed):

English version

“Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. For enquiries, please call 03-2616 7766”.

Bahasa Malaysia version

“Agensi Kaunseling Dan Pengurusan Kredit telah ditubuhkan oleh Bank Negara Malaysia untuk menyediakan perkhidmatan pengurusan kewangan, kaunseling kredit, pendidikan kewangan dan penstrukturan semula pinjaman secara percuma kepada individu. Untuk pertanyaan, sila hubungi talian 03-2616 7766”.

22 Usage of credit card products for unlawful activities

- S** 22.1 Issuer shall ensure that the terms and conditions include a clause specifying that the credit card products must not to be used for any unlawful activities⁹. Issuer shall immediately terminate the credit card product facility if cardholders are found to have used the credit card products for any unlawful activity.

23 Disclosure on fraud prevention and cardholder awareness

- S** 23.1 Issuer shall ensure that cardholders are provided with safety guides to prevent the cardholders from becoming victims of credit card product fraud. These safety guides shall be current, simple to understand and easily accessible by the cardholders across various platforms. At minimum, issuer shall ensure that cardholders are constantly reminded on the following –
- (a) To check transaction alerts in a timely manner, as well as account balances or statements on a regular basis and to report to the issuer as soon as any unauthorised transaction, error or discrepancy is detected;
 - (b) To verify the authenticity of messages sent by the issuer and appropriate action to be taken upon detecting that such message is fraudulent; and
 - (c) To read the security guide or warnings posted on the issuer's website or mobile application, including the issuer's privacy policy statement, prior to providing confidential information to the issuer or third parties.
- S** 23.2 Issuer shall ensure periodic reminders are issued to cardholders, at least once in every calendar year after card issuance, on the following:
- (a) The responsibilities of cardholders under paragraph 21.19, failing which the cardholder may be held liable for the fraudulent transaction;
 - (b) That cardholders would not be liable for unauthorised transactions except in situations outlined under paragraph 26.2; and
 - (c) Guidance on actions to be taken by cardholders in the event of suspected fraud as per paragraph 27.
- S** 23.3 Information provided under paragraphs 23.1 and 23.2 shall be made easily accessible and clearly noticeable by cardholders such as by prominently displaying the information on the issuer's website or mobile application as well as via email notification, taking into account the cardholders' preferences and profile.
- S** 23.4 Issuer shall ensure that customer service representatives are kept up to date on current fraud risks and are well-versed on the end-to-end fraud investigation process where the issuer is able to effectively

⁹ Activities which are forbidden by the law such as illegal online betting.

advise cardholders upon receiving reports of credit card product fraud cases.

24 Disclosure for advertisement

- S** 24.1 Issuer shall ensure compliance with the requirements on disclosure for advertisements as specified under the Policy Document on Product Transparency and Disclosure¹⁰. Where information is disclosed through digital channels, issuer shall comply with requirements on digital disclosure outlined in paragraph 11 of the said policy document.
- S** 24.2 Issuer shall ensure that advertisements and promotional materials on credit card products are clear, fair and not misleading.
- S** 24.3 Issuer shall establish processes for an independent review of advertisements and promotional materials on credit card products, for instance by the Compliance Unit or Legal Unit, and Shariah Committee to ensure that they are clear, fair and not misleading.
- S** 24.4 Issuer shall ensure that print media advertisements clearly and conspicuously disclose material information about any credit card products offer that is likely to affect a cardholder's decision. Legible font size shall be used to bring cardholder's attention to any important information, such as effective interest/profit or fee rates, relevant fees and charges and eligibility criteria to enjoy the benefits being offered.
- S** 24.5 Issuer shall ensure that the promotional materials provide adequate information on the key terms and conditions of the credit card product. The materials shall also contain information on the effective annual interest/profit rate together with the annual fee and any other applicable charges to facilitate comparisons by a cardholder. The information shall be presented in plain language and in legible font size.
- S** 24.6 Issuer shall clearly disclose the key conditions on the applicability of rates such as the circumstances that could shorten the promotional rate period or cause the promotional rate to increase, when advertising promotional rates, for instance on balance transfer from another credit card product. Other costs involved in the balance transfer shall also be disclosed prominently to a cardholder.
- S** 24.7 Issuer shall ensure important terms and conditions associated with offers of free gifts, prizes, discounts or vouchers for the promotion of a credit card product are stated prominently in print advertisements, or in the marketing material for a new cardholder, or together with the monthly statement for an existing cardholder.
- S** 24.8 Issuer shall not merely indicate in a footnote that "terms and conditions apply". In advertising special features or promotions in print or

¹⁰ Issued on 3 December 2024, including any amendments and reissuances thereafter.

electronic media, the applicable eligibility criteria to enjoy the privileges shall be disclosed up-front with the announcement. The “applicable eligibility criteria” are those that are imperative to the advertised feature/promotion in addition to the basic terms and conditions of holding the cards.

- S** 24.9 Issuer shall ensure that advertisements or other promotional materials do not describe any credit card product feature as “free” or at “no cost” if there are conditions attached or other forms of charges will be imposed on a cardholder.

Investigation and assessment of fraud cases

25 Liability of supplementary cardholder

- S** 25.1 Issuer shall not hold a supplementary cardholder, jointly or severally liable for the debts of the principal cardholder or the other supplementary cardholders.

26 Liability of unauthorised transaction

- S** 26.1 Issuer shall not hold cardholders responsible for losses incurred from an unauthorised transaction¹¹ if the cause of the losses is due to any of the following –
- (a) Failure of the issuer to take reasonable steps to inform cardholders of their obligations as stated in paragraph 21.19;
 - (b) Failure of the issuer to provide adequate means for the cardholders to promptly notify the issuer of any lost, stolen or unauthorised use of the credit card products;
 - (c) A breakdown or other deficiencies in relevant systems of the issuer;
 - (d) Weaknesses or vulnerabilities in the system, process and controls adopted by the issuer. This includes failure to take reasonable measures to detect and block suspicious transactions¹² and enhance fraud detection rules upon learning of new fraud techniques;
 - (e) Transactions that involve the use of a forged, faulty or cancelled credit card products;
 - (f) Transactions that occur before the cardholder receives the PIN or a similar security credential; or the security device for the credit card products;
 - (g) Fraudulent or negligent conduct of employees or agents of the issuer, acquirers or merchants;

¹¹For the avoidance of doubt, issuer shall not solely rely on whether the cardholder has authenticated the transaction in determining whether the transaction has been authorised.

¹²Examples of failure to detect and block suspicious transactions include failure of issuer to block a series of transactions occurring within a short time frame which is not consistent with the normal transaction behaviour of the cardholder.

- (h) Transactions that occur after the cardholder has notified the issuer of a lost, stolen or unauthorised use of the credit card products;
 - (i) Transactions that occur after the cardholder has notified the issuer of a compromised PIN or security credential (e.g., passcode); or
 - (j) Failure of the issuer, credit card product network operator and acquirer to resolve any contradictory evidence on the fraud case during the investigation.
- S** 26.2 Issuer shall not hold cardholders responsible for losses incurred from an unauthorised transaction, unless the issuer can prove that the cardholder has:
 - (a) Acted fraudulently;
 - (b) Refused to cooperate¹³ with the issuer in the investigation; or
 - (c) Failed to carry out the obligations informed by the issuer as stated in paragraph 21.19.
- S** 26.3 Where issuer or acquirer decides not to authenticate¹⁴ the cardholder using a strong authentication method for card-not-present transactions, the cardholder shall not be held liable for any financial losses arising from such unauthenticated transactions, subject to the cardholder not acting fraudulently.

27 Investigation and assessment of dispute cases

- S** 27.1 When a cardholder lodges a report on a disputed transaction, the issuer shall acknowledge receipt of the dispute as soon as practicable and inform the cardholder of the information needed for investigation purposes within three (3) working days from the date the report is lodged. At minimum, the information shall include the following –
 - (a) Cardholder's name;
 - (b) Affected credit card products number;
 - (c) Date of the disputed transaction;
 - (d) Amount of the disputed transaction; and
 - (e) Reason why the cardholder believes that it is a disputed transaction.
- S** 27.2 Issuer shall prominently disclose on the issuer's website and mobile application the information required for investigation purposes under paragraph 27.3.
- S** 27.3 Issuer shall ensure fraud cases are subject to a robust investigation and assessment process that appropriately considers the respective obligations of the issuer, credit card product networks, acquirers, merchants and cardholders.

¹³ This may include expectation to surrender mobile or security device to the authority for forensic investigation.

¹⁴ Under the Policy Document on Risk-based Authentication for Online Transactions issued on 4 November 2020, an issuer and acquirer may decide not to authenticate the cardholder for low-risk online payment card transactions.

- S** 27.4 In conducting the investigation, issuer shall first consider the obligations of the issuer, credit card product networks, acquirers and merchants¹⁵, including the effectiveness of fraud detection and prevention controls in averting an unauthorised transaction.
- S** 27.5 Where the issuer has determined that the fraud losses arising from the unauthorised transaction shall be borne by the cardholder, the issuer shall ensure that there is adequate evidence to substantiate that the cardholder has breached obligations specified in paragraph 21.19.
- S** 27.6 In the event that issuer and acquirer have conclusively established that neither the cardholders nor themselves are at fault, the issuer shall make an assessment to identify other factors that could have contributed to the disputed transaction and undertake mitigating measures, where appropriate.

28 Communication of decision

- S** 28.1 Issuer shall regularly update the cardholders on the status of the investigation and upon completion of the investigation, communicate their decision in writing to the cardholders as soon as practicable, by clearly providing—
- (a) A brief assessment of the case and the outcome; and
 - (b) The basis on the allocation of any fraud losses passed to cardholders, where applicable.
- S** 28.2 In addition to paragraph 28.1, issuer shall inform the cardholders of their rights and available channels to request for further information on the investigation. Such information shall also be made clearly visible on the issuer's banking website and mobile banking application.
- S** 28.3 Issuer shall refer cardholders to the Financial Markets Ombudsman Service (FMOS) as an avenue to seek redress in the following circumstances –
- (a) The cardholder is an eligible complainant as defined under the FSA, IFSA or DFIA, as the case may be, and the complaint falls within the FMOS' jurisdiction¹⁶; and
 - (b) The complaint does not fall within FMOS' jurisdiction but the issuer, as the case may be, and the cardholder agrees for the complaint to be referred to FMOS.
- S** 28.4 In cases where the complaint does not fall within FMOS' jurisdiction and the issuer, as the case may be, or the cardholder disagrees to refer the complaint to FMOS, the issuer must refer the cardholder to the Bank's Laman Informasi Nasihat dan Khidmat (BNMLINK).

¹⁵Acquirers shall furnish the necessary information or evidence to issuer to facilitate in the investigation of merchants' compliance with their obligations.

¹⁶ For this purpose, cases which fall within FMOS' jurisdiction include cases within the monetary limit specified in the relevant regulations pertaining to the financial ombudsman scheme under the FSA, IFSA and DFIA

29 Marketing practices

- S** 29.1 Issuer shall ensure that sales and marketing representatives (including telemarketing) are adequately trained and knowledgeable in the key features, benefits and risks of the credit card products, including the underlying Shariah contract for credit card-i.
- S** 29.2 Issuer shall apply due care and diligence when preparing information for the sales and marketing representatives and that the information is sufficient, accurate, appropriate and comprehensive in substance and form. This is to ensure that a cardholder is adequately informed by the sales and marketing representatives of the terms, benefits and material conditions of the credit card product or services being offered.
- S** 29.3 Issuer shall ensure that the sales and marketing representatives identify themselves as well as the issuer they represent and act in a professional manner when contacting or approaching a prospective cardholder to market credit card products. In particular, sales and marketing representatives shall not adopt aggressive tactics to pressure, mislead or coerce a prospective cardholder into signing up for a credit card product and shall avoid harassing a prospective cardholder who is not interested. Sales and marketing representatives shall not mislead a prospective cardholder on any products and services offered or make any false commitment on behalf of the issuers for any facilities or services. A prospective cardholder shall also be given adequate time to consider and to complete application forms without undue pressure.
- S** 29.4 Issuer shall ensure that sales and marketing representatives provide the PDS and highlight the following, at the minimum, to a prospective cardholder to ensure that he is provided with the relevant information before making a decision:
- (a) Finance charges/profit or fee rates that will be imposed on the credit card product outstanding balance if the amount is not fully paid by the due date and the basis for the interest free period for retail transactions;
 - (b) Fees and charges, such as annual fee, late payment charge for failure to pay at least the minimum monthly repayment by the due date, transaction fee for cash advances/withdrawals and over-the-limit fee when transactions exceed the given credit limit;
 - (c) Eligibility criteria to enjoy the privileges that are being promoted, such as rebates, free gifts, fee waivers; and
 - (d) Cardholder's responsibilities.
- S** 29.5 Issuer shall establish procedures and take reasonable steps to ensure that a cardholder's expressed preference (e.g., not to be contacted on new product offers) is duly respected.

- S** 29.6 Issuer shall ensure that the telemarketing representatives do not contact a cardholder at unreasonable hours (generally between 9.00 p.m. and 9.00 a.m.).
- S** 29.7 Issuer shall avoid poorly designed reward systems that induce behaviour among sales and marketing representatives which focus on maximising sales without due regard to the interest of a prospective cardholder who may be offered credit card products that are not suited to his needs or circumstances. In remunerating or rewarding sales and marketing representatives, issuer shall ensure that the reward system does not encourage or lead to inappropriate behaviour such as unethical sales and marketing practices that expose the issuer to reputational risk.
- S** 29.8 Issuer shall use a mix of quantitative and qualitative factors (e.g., customer service and complaints) to assess the performance of sales and marketing representatives. Reward systems for sales and marketing representatives shall reflect the responsibility of treating a prospective cardholder fairly.
- S** 29.9 Issuer shall put in place adequate verification procedures to confirm the identity of a credit card product applicant to prevent the use of stolen information (e.g., identity theft) for a credit card product application. This shall include contacting applicants at random to confirm applications and to verify that the applicants are aware of all the critical terms and conditions. This process also serves to evaluate the performance and representations made by sales and marketing representatives.
- S** 29.10 Cardholders shall be given the opportunity to withdraw his credit card product application even after receiving the credit card product without any charge or unreasonable inconvenience, if it is established that sales and marketing representatives had coerced the cardholder into applying and/or the cardholder was not given enough time to consider the application.

30 Unsolicited card/credit advance/credit limit increase

- S** 30.1 Issuer shall conduct proper credit assessments and be reasonably satisfied based on robust affordability assessments, that the credit card product facility will not expose existing and prospective cardholders to excessive financial burden before sending any existing and prospective cardholder an unsolicited credit card product or other offerings.
- S** 30.2 Issuer shall not activate a credit card product until the cardholder has communicated his acceptance of the credit card product to the issuer either orally or in writing, if an issuer sends an unsolicited credit card product to any existing and prospective cardholder. Prior to this

confirmation, the cardholder shall not be liable for any form of charges, fees, payments and purchases with regard to the credit card product. The cardholder shall not be required to go through a cancellation procedure if he does not wish to accept and activate the credit card products.

- S** 30.3 Issuer shall not offer a credit advance (e.g., in the form of cheque payable to cardholder) unless a cardholder has expressly requested for it. All relevant charges for the credit advance shall be clearly disclosed to the cardholder.
- S** 30.4 Issuer shall include information on how a cardholder may reduce his credit limit. For any unsolicited offer to increase credit limits, issuer shall obtain a cardholder's written or oral acceptance of the offer before activating the credit limit increase.
- S** 30.5 Issuer shall not increase the credit limit if the cardholder has a history of poor credit performance or has difficulty meeting repayments or habitually makes minimum monthly repayments that indicate difficulty in meeting repayments.

Other requirements

31 Debt collection

- S** 31.1 Issuer shall comply with the debt collection requirements as specified in the circular on "Fair Debt Collection Practices"¹⁷.

32 Cardholder information

- S** 32.1 Issuer shall ensure that cardholder information is used strictly for the purpose of performing their functions, in the event personal information is given to the issuer's agents or representatives. Issuer shall ensure that such information is treated with strict confidentiality and adequately safeguarded by the agents or representatives. In doing so, issuer shall require the agents or representatives to sign a confidentiality agreement or undertaking, to comply with the secrecy provisions under the relevant legislation.
- S** 32.2 Issuer shall remain accountable to a cardholder for any complaints arising out of the mishandling or abuse of the cardholder's information by the agents or representatives and shall take reasonable steps to remedy any inconvenience or losses suffered by the cardholder as a result of such mishandling or abuse. Firm actions shall be taken against errant agents, including terminating the contract with the agency in the event that there has been a breach of confidentiality.

¹⁷ Issued on 10 September 2007.

- S** 32.3 Issuer shall put in place appropriate measures for disposal of unsuccessful application forms and ensure that confidentiality of a cardholder's information is adequately safeguarded.

33 Complaints management

- S** 33.1 Issuer shall ensure compliance with requirements on complaints management as specified in the Policy Document on Complaints Handling¹⁸.
- S** 33.2 Issuer shall remain accountable to a cardholder for any complaints against its employees and representatives, including external agents, and shall not deny responsibility for any agents' or representatives' misconduct.
- S** 33.3 Issuer shall not require cardholders to pay the disputed amount or impose any finance or other charges on such amount during the investigation period, in the event of a dispute over any transaction amount.
- S** 33.4 Issuer shall provide a cardholder with information on how complaints, including complaints against agents may be made and the contact details of the issuer's complaints unit. In addition, contact details of BNMLINK shall be provided in the monthly credit card product statement.
- G** 33.5 The Bank may take necessary actions against the issuer, including banning the issuer from issuing new credit card products, in the event that there are genuine complaints made against the issuer and such complaints are left unresolved.

¹⁸ Issued on 28 March 2025, including any amendments and reissuances thereafter.

PART D Risk Management**34 Effective Board and senior management oversight**

- S** 34.1 The Board of Directors and senior management of the issuer and acquirer shall establish effective internal oversight measures and risk management frameworks to mitigate the risks associated with their credit card product operations, which include, among others, the following:
- (a) Establishment of a comprehensive risk management process and internal controls for managing and monitoring risks associated with the credit card product operations;
 - (b) Establishment of processes for the development, review, approval and implementation of appropriate policies and procedures governing credit card product operations to ensure that the risks in the credit card product operations are adequately mitigated;
 - (c) Oversight of the development and continued maintenance of the security infrastructure that safeguards credit card product systems and data from internal and external threats;
 - (d) Periodic audits by an independent party¹⁹ with reasonable frequency to ascertain and detect weaknesses in business operations and risk management for corrective measures to be taken in a timely manner; and
 - (e) Establishment of a comprehensive and on-going due diligence and oversight process to manage outsourced functions and other third-party arrangements supporting the credit card product operations.
- S** 34.2 The Board of Directors and senior management of the issuer and acquirer shall ensure that a robust management information system (MIS) is in place to support business decision making and risk management.

35 Comprehensive security policies, procedures and controls

- S** 35.1 Issuer and acquirer shall implement and enforce relevant policies and procedures to ensure confidentiality, integrity and availability of data as well as to ensure that the system and network infrastructure are safe and secure.
- S** 35.2 Robust security controls such as intrusion detection and intrusion prevention systems and firewalls shall be put in place to secure the system and network infrastructure. In this regard, penetration tests shall be performed regularly²⁰ to detect vulnerabilities for timely corrective measures to be taken to address security weaknesses.

¹⁹ Internal or external auditor.

²⁰ Issuers shall be guided by requirements on vulnerability assessment and penetration testing outlined in the Policy Document on Risk Management in Technology (RMiT).

- S 35.3** Procedural and administrative controls on critical processes shall be put in place. Critical processes include, but are not limited to, the following:
- (a) PIN generation shall be performed in a highly secure environment. In this regard, the following shall, at the minimum, be observed:
 - (i) Usage of hardware-based PIN generation and verification;
 - (ii) Generated PINs shall be protected from being accessed or viewed by unauthorised persons;
 - (iii) The process of generating the PIN has to be strictly controlled. In this regard, PIN generation and printing area shall be strictly restricted to authorised personnel only;
 - (iv) Regeneration of the same PIN for the same card/account shall be prohibited; and
 - (v) An independent party (which may be personnel independent of the process) shall be present to observe and check that the PIN generation and printing processes are undertaken in accordance with accepted procedures.
 - (b) Personalisation²¹ process
 - (i) Personalisation process shall be performed in a secure environment;
 - (ii) Access to the personalisation machine, reader and data shall be strictly restricted and controlled;
 - (iii) Data used for personalisation shall be classified as confidential information and issuer shall ensure confidentiality and safety of the data that has been sent, stored and processed. These data shall be deleted upon completion of the process;
 - (iv) Sensitive keys used to perform personalisation shall be kept in a secure manner. Adequate policy and procedures shall be established to govern the management of such keys to ensure that they are safeguarded to prevent any unauthorised usage;
 - (v) Periodic card inventory reconciliation and audit shall be performed on blank cards; and
 - (vi) Card personalisation centre shall ensure that the following controls are in place:
 - Adequate physical and logical security controls.
 - Segregation of duties and dual control.
 - Network security control.
- S 35.4** In addition to para 35.3(b), for outsourced card personalisation process, controls shall be in place to ensure that data sent for personalisation to outsourced vendors are secured. The issuer must monitor the outsourced vendor to ensure that the above requirements are met.

²¹ A process of injecting/encoding cardholder data into the blank card's chip/magstripe; and embossing the cards with cardholder's details, e.g. name and expiry date.

- S** 35.5 Effective segregation of functions on handling of credit card products and PIN shall be observed at all stages of processing, particularly the following:
- (a) Card processing (e.g., embossing and encoding processes) and PIN generation functions; and
 - (b) Physical management of card and PIN, including mailing (if applicable).
- S** 35.6 Effective dual control over critical functions shall be implemented. Critical functions include the following:
- (a) Setting and maintaining all system parameters;
 - (b) PIN generation processes and handling of secret keys or codes and other security features;
 - (c) Handling and safekeeping of blank cards; and
 - (d) Handling of returned and undelivered credit card products.
- S** 35.7 Necessary measures shall be taken to ensure the confidentiality of credit card product data and information:
- (a) Confidential data and sensitive information shall be protected from unauthorised viewing or modification during transmission and storage;
 - (b) Sensitive information shall be encrypted from end to end during transmission over the network;
 - (c) Minimal account information shall be printed on sales draft to minimize the risk of misuse of information to conduct fraudulent “card-not-present” transactions;
 - (d) Storage of sensitive authentication data, e.g. magnetic stripe data, PIN and validation code (e.g., card verification value (CVV) used to verify card not-present transactions) shall not be allowed as this information may be used by fraudsters to generate fake credit cards and create fraudulent transactions; and
 - (e) Confidential data and sensitive information shall only be accessible and managed by authorised parties.
- S** 35.8 Proper identification and authentication methods (e.g., PINs) shall be adopted to avoid unauthorised usage of credit card products. For more robust security, the following shall be adopted at minimum:
- (a) The use of strong PIN shall be adopted;
 - (b) Maximum PIN tries shall be limited to three (3) on an accumulated basis;
 - (c) PIN shall not be stored permanently in any format or media;
 - (d) If the PIN is computer-generated and is not chosen by the cardholder, mandatory PIN change shall be adopted before the first transaction is permitted;
 - (e) Cardholders shall be allowed to change the PIN at any time; and
 - (f) Cardholders shall be advised that they shall not use a PIN selected from their birth date, identity card, passport, driving licence or contact numbers to mitigate unauthorised use of their credit cards in the event their cards are lost or stolen.

- S** 35.9 Disposal of credit card product related materials/assets, such as damaged or returned cards, reports and embossing machines shall be performed in a controlled environment.

36 Robust operational reliability and business continuity

- S** 36.1 Issuer shall ensure compliance with the requirements on essential services as specified in the Policy Document on Business Continuity Management²².
- S** 36.2 Measures to ensure operational reliability include, but are not limited to, the following:
- (a) Strong internal controls for system and personnel administration;
 - (b) Comprehensive and well-documented operational and technical procedures to ensure operational reliability;
 - (c) System shall have sufficient capacity to support business requirements; and
 - (d) System has a robust business continuity and disaster recovery plan, including a highly reliable backup system.
- S** 36.3 Acquirer shall ensure compliance with the requirements on business continuity management as specified in the Policy Document on Merchant Acquiring Service²³.

37 Outsourcing risk management

Paragraph 37 is applicable to non-bank card issuer that falls outside the scope of Policy Document on Outsourcing issued on 28 December 2018

- S** 37.1 Outsourcing does not reduce the fundamental risk associated with credit card product operations. Neither does it absolve the issuer and acquirer from their responsibilities of having to manage the risks of their credit card product operations. As such, issuer and acquirer that outsource any part of their credit card product operations shall observe the minimum requirements set out below.
- S** 37.2 Prior to entering into any outsourcing arrangement, the following shall, at the minimum, be considered:
- (a) Availability of sufficient expertise within the issuer/acquirer to oversee and manage the outsourcing relationship; and
 - (b) Scope and nature of services/operations to be outsourced would not compromise the controls and risk management of the credit card product business:
 - (i) The outsourcing of such processes does not take away the critical decision-making function of the issuer and acquirer;

²² Issued on 19 December 2022, including any amendments and reissuances thereafter.

²³ Issued on 15 September 2021, including any amendments and reissuances thereafter.

- (ii) The outsourcing of such processes does not threaten strategic flexibility and process control of the issuer and acquirer; and
 - (iii) The outsourcing of such functions would not impair the image, integrity and credibility of the issuer and acquirer.
- S** 37.3 Issuer and acquirer shall also perform appropriate due diligence review of the integrity, competency and financial viability of the outsourcing service provider before the arrangements are formalised.
- S** 37.4 Issuer and acquirer shall obtain and document the approval from the Board of Directors to outsource their functions.
- S** 37.5 Issuer and acquirer shall ensure outsourcing service providers provide a written undertaking to the issuer and acquirer to comply with the secrecy provisions pursuant to section 133 of the FSA and section 145 of the IFSA.
- S** 37.6 Issuer and acquirer shall ensure the outsourcing agreement is comprehensive and includes the following:
 - (a) Clearly defined roles, responsibilities and obligations of the service provider;
 - (b) Clear provisions for the Bank to enter the premises of the service provider to conduct examination and investigation with regard to the services outsourced, should the need arise; and
 - (c) Conditions under which the outsourcing arrangement may be terminated.
- S** 37.7 Issuer and acquirer shall have a contingency plan in the event that the arrangement with the outsourcing service provider is suddenly terminated. This is to mitigate any significant disruption in the work that is supposed to be conducted by the service provider.
 - (a) The contingency plan must be reviewed from time to time to ensure that the plan is current and ready for implementation in the event of sudden termination of the service provider; and
 - (b) The contingency plan must also be approved by the Board of Directors of the issuer and acquirer.
- S** 37.8 Issuer and acquirer shall ensure that reporting and monitoring mechanisms are put in place to ensure that the integrity and quality of work conducted by the outsourced service provider is preserved, despite the operational activities of credit card products being outsourced.
- S** 37.9 Issuer and acquirer shall conduct regular reviews on the outsourcing service provider to assess the performance and ensure the continued suitability of the service providers.

- S** 37.10 Issuer and acquirer shall conduct periodic independent internal and/or external audits on the outsourced operations with at least the same scope of review as if the operations had been conducted in-house.
- S** 37.11 Issuer and acquirer shall ensure that any weaknesses highlighted during the audit are well-documented and promptly rectified by the outsourcing service providers especially where such weaknesses may affect the integrity of the internal controls of the issuer and acquirer. The external and internal auditors of the issuer and acquirer must be able to review the books and internal controls of the outsourcing service providers.

38 Credit risk management

- S** 38.1 Issuer shall put in place necessary measures to effectively manage credit risk, including the requirements in this part, which shall be read together with the Policy Document on Credit Risk²⁴, given that credit risk poses a significant risk to the credit card product business.
- S** 38.2 Issuer shall plan and formulate appropriate business strategies including marketing strategies taking into account the internal risk appetite and credit risk management framework. The strategy shall include the following:
- (a) Target market and acquisition channels, which should be consistent with the approved nature and level of risk to be assumed; and
 - (b) Adequacy of risk management, infrastructure and operational support to implement the business strategy
- S** 38.3 Issuer shall put in place robust policies and procedures. These policies and procedures shall be reviewed regularly and shall include the following:
- (a) For the assessment of a credit card product application as well as determination of an appropriate credit limit, issuer shall utilise the Central Credit Reference Information System (CCRIS) and other sources of credit information to assess an applicant's creditworthiness;
 - (i) Affordability and repayment capacity of the applicant shall be considered in approving or rejecting the application, assigning the initial credit limit or increasing existing credit limit; and
 - (ii) Issuer shall avoid granting additional credit cards or higher credit limits to a cardholder who is already experiencing repayment difficulties on his existing credit card and any other credit facility.
 - (b) Underwriting standards for products and cardholder segments covering eligibility criteria, maximum credit limit, minimum documentation requirement, and exposure to certain cardholder

²⁴ Issued on 5 December 2024, including any amendments and reissuances thereafter.

- segments (e.g., maximum exposure to certain income group where the inherent risk is higher);
- (c) Parameters for approval and monitoring exceptional cases (e.g., applications which are approved with deviations from established criteria);
 - (d) Processes for the verification of documents and credit checking;
 - (e) Account management covering renewal, assignment of temporary increase in credit limit and issuance of supplementary credit card products; and
 - (f) Management of delinquent accounts covering the classification of problem accounts, provisioning and write-off, controls on rescheduled accounts and collection actions.
- S** 38.4 Issuer shall have in place a credit risk measurement tool or system which supports underwriting, continuous monitoring and the recovery process.
- G** 38.5 Issuer may use credit risk measurement tools such as scorecards or segmentation method or a combination of both methods to measure credit risk.
- G** 38.6 Issuer should ensure the development of credit risk measurement tools considers relevant information on cardholder risk characteristics (e.g., cardholder demographics) and transaction characteristics (e.g., type of card) as well as account performance based on a sufficient length of historical data.
- S** 38.7 Issuer shall periodically assess the performance of credit risk measurement tools developed to ensure they remain appropriate. Such assessment shall be undertaken by a competent person who is independent from the credit card product operations. Policies on remedial actions to be taken such as re-development of a tool shall be in place, where the performance of these tools becomes unacceptable.
- S** 38.8 Issuer shall develop and implement comprehensive policies and procedures supported by robust systems infrastructure to monitor its credit card product portfolios.
- (a) Issuer shall have a process to review the asset quality of its credit card exposures on a portfolio basis. The review shall be performed independently, i.e., separate from the business functions. Issuer shall develop and use risk indicators for the monitoring of changes in the risk profile and conduct more granular analysis of its credit card product portfolios by segmenting the portfolio (e.g., by types of cards, marketing programme, co-branding arrangement, credit behaviour and vintage). The review shall cover the following:
 - (i) Credit limit utilisation;
 - (ii) Delinquency analysis; and
 - (iii) Provisioning and write-off levels.

- (b) Issuer shall also consider the impact of stressed conditions on the credit card portfolio. The stress testing framework shall commensurate with the nature and profile of the issuer's business activities and shall be read together with the requirements stipulated in the Policy Document on Stress Testing²⁵, where relevant. At the minimum, the issuer shall adhere to the following requirements to ensure that the stress testing is meaningful:
 - (i) All material risks and spillover effects of stress events on the credit card products portfolio shall be taken into account;
 - (ii) The magnitude of the shocks shall be large enough to stress the credit card products portfolio and shall be larger than a regular/cyclical variation;
 - (iii) Stress tests conducted shall include at least a scenario that is based on an exceptional but plausible event;
 - (iv) Stress tests shall consider latest economic developments and outlook;
 - (v) The stress event shall exist for a period of time for example, a period of sustained high interest rates as opposed to a one-day shock or two-week shock; and
 - (vi) The time horizon used to capture or reflect the impact of the stress test shall cover a period relevant to the portfolio.
 - (c) Issuer shall have in place clear policies on triggers for remedial actions and types of actions to be taken upon the deterioration of the credit card portfolio. For example, an indication of deterioration in a portfolio segment emanating from a particular marketing strategy should result in a timely review of that strategy; and
 - (d) Results of the portfolio review shall be periodically reported to senior management and the Board.
- S** 38.9 Issuer shall ensure systems are able to monitor individual credits on an aggregate basis, taking into account multiple credit card products held by a cardholder as well as exposures to the same cardholder across other credit facilities.
- S** 38.10 Issuer shall ensure the monitoring procedures define the criteria for identifying, managing and reporting problem credits and credits where there are indications of deterioration in credit quality, to ensure that they are subject to more frequent monitoring for recovery or remedial actions to be taken, where necessary.
- S** 38.11 Issuer shall have comprehensive policies and procedures to effectively manage delinquent accounts which shall, at the minimum, cover

²⁵ Issued on 15 June 2017, including any amendments and reissuances thereafter.

classification of delinquent accounts, provisioning and write-off requirements, workout solutions (including a cardholder's eligibility for the workout solutions) and management of collections.

- S** 38.12 Issuer shall be guided by relevant accounting standards and regulatory requirements when classifying its problem credits as well as when determining the level of provisions and write-offs.

39 Liquidity risk management

- G** 39.1 Issuer should understand the liquidity risk exposure arising from the funding strategy used for the credit card product operations and assess, among others:
- (a) The reliability of its funding arrangements and the establishment of liquidity contingency plans;
 - (b) The concentration to a particular funding source and whether such funds would be accessible during stressed market conditions; and
 - (c) Changes in payment trends by cardholders that would necessitate adjustments to the funding strategy.
- S** 39.2 Issuer shall put in place adequate liquidity management systems and controls to ensure sufficient liquidity to meet its obligations. Among the controls include:
- (a) Conducting liquidity gap analysis to measure potential liquidity shortfalls; and
 - (b) Conducting stress testing to identify and measure potential funding shortfalls.

Fraud risk management

40 Fraud monitoring and detection

- S** 40.1 Issuer and acquirer shall deploy effective and efficient fraud detection²⁶ and monitoring mechanism that:
- (a) Enable fraud detection and monitoring of transactions.
 - (b) Enable detection of high-risk transactions and trigger any unusual transactions -
 - (i) Issuer shall establish internal criteria to identify high-risk transactions and merchants to facilitate early detection of fraud.
 - (ii) Issuer shall put in place procedures to facilitate early detection of unusual transaction patterns or trends that could be indicative of fraud and take necessary actions to block/delay these transactions for further investigation²⁷.

²⁶ Issuer shall be guided by expectations outlined the Specifications Letter on Fraud Detection Standards to Combat Electronic Banking Fraud issued on 27 March 2024.

²⁷ Issuer must investigate suspicious transactions and conduct the necessary verification (such as callbacks or other effective methods) with the cardholder prior allowing the flagged transactions to proceed. To ensure

- S** 40.2 Issuer shall establish comprehensive fraud case investigation, analysis and reporting procedures by -
- (a) Conducting regular analysis to understand fraud trends and modus operandi;
 - (b) Putting in place adequate risk management processes, systems and controls to mitigate fraud risk. This shall take into account developments in fraud trends and material changes in business strategy which may increase exposure to fraud risk; and
 - (c) Ensuring fraud incident reports are escalated to senior management and the Board on a regular basis. Reporting to the Bank shall be in accordance with the fraud reporting requirement imposed by the Bank from time to time.
- S** 40.3 Fraud risk management measures shall be reviewed periodically for proactive actions to be taken to address any inadequacies in such measures.

41 Opt-in requirements for card-not-present and overseas transactions

- G** 41.1 Issuer is encouraged to default block credit card products cardholders from making:
- (a) Card-not-present transactions which are not authenticated with strong authentication; or
 - (b) Any overseas transactions,
- unless to facilitate specific transactions as stipulated in paragraph 41.4.
- G** 41.2 Issuer is encouraged to provide cardholders with a convenient mechanism to manage the activation and de-activation of card-not-present transactions and overseas transactions including via a self-service toggle and hotline.
- S** 41.3 In addition to paragraph 41.2, issuer shall ensure clear communication to cardholders regarding the availability of the self-service toggle to manage card-not-present and overseas transactions.
- S** 41.4 Issuer shall permanently enable the card-not-present transactions for credit card products solely for domestic toll-related transactions²⁸.

acceptable cardholder experience, issuer should notify the affected cardholder immediately upon the blocking of each suspicious transaction.

²⁸ For avoidance of doubt, this requirement also applies to existing cardholders who have requested to disable the card-not-present transaction on their cards. Automatic enablement shall only apply to domestic toll-related transactions.

42 Fraud mitigation measures for card application, delivery and activation

- S** 42.1 The following shall be observed at the point of the issuer collecting credit card product applications:
- (a) Issuer shall ensure the confidentiality of the data and information provided by the applicant. Necessary measures shall be put in place to ensure that the information provided by the applicant are not misused by persons authorised by the issuer to receive the application(s).
 - (b) Issuer or any persons acting on behalf of the issuer to receive credit card product applications are prohibited from photocopying the applicants' other credit card product.
- S** 42.2 The following controls shall be taken into consideration when processing credit card product applications:
- (a) The identity of the applicant must be verified to ensure that the applicant exists and is the person applying for the card;
 - (b) Key information provided by the applicant must be verified for accuracy; and
 - (c) Issuer must ensure the confidentiality of the data and information provided by the applicant.
- S** 42.3 Issuer is prohibited from activating credit card products prior to such action being taken by its cardholders. Issuer shall also put in place stringent activation procedures, which shall include a robust verification process that cannot be easily bypassed by fraudsters and by the issuer's own employees.

43 Requirements when changing cardholder's contact details

- S** 43.1 To mitigate the risk of account takeover, issuer shall put in place effective measures to verify any request it receives for change of mailing address, contact numbers or security credentials including PIN as well as for the shipment of new or replacement cards.
- G** 43.2 The following are some practices that issuer may consider in mitigating the risk of account takeover:
- (a) Allow request for change of contact details only if it is made in person at the issuer's premises;
 - (b) Allow such request through a secure electronic mode (e.g., electronic banking) but subject to further verification before updating the contact details; and
 - (c) Send written correspondence to the previous address for verification before shipping any card to the new address.

44 Transaction authentication

- S** 44.1 Issuer and acquirer shall enable chip and PIN verification for credit card product transactions at point-of-sale (POS) terminals and cash withdrawals at ATMs.
- S** 44.2 Issuer that authenticates via Consumer Device Cardholder Verification Method (CDCVM) shall comply with the following conditions:
- (a) Ensure the implementation of CDCVM is robust²⁹;
 - (b) Ensure that each transaction is individually authenticated on the CDCVM device; and
 - (c) Require credit card products cardholders to set a transaction limit as part of the card provisioning process.
- S** 44.3 Issuer and acquirer shall authenticate cardholders for card-not-present transactions using more secure authentication methods³⁰ to mitigate the risk of unauthorised use of credit card products.
- S** 44.4 Issuer that continues to adopt Short Message Service (SMS) One Time Password (OTP) as a form of authentication shall ensure that each transaction does not exceed RM250. Transactions above such threshold must be authenticated using more secure authentication methods.

45 Use of secure device to authenticate card transaction

- S** 45.1 Where authentication via a secure device is implemented, issuer shall restrict the authentication of credit card products transactions by default to one mobile device or secure device per cardholder.

46 Contactless transaction

- S** 46.1 Issuer shall set an appropriate limit for each contactless transaction as well as an appropriate daily cumulative limit for contactless transactions which do not require any cardholder verification. In implementing this requirement, issuer shall undertake the following:
- (a) Provide cardholders with a simple and convenient mechanism to set a lower daily cumulative transaction limit for contactless transactions;
 - (b) Provide cardholders with a simple and convenient mechanism to turn off the contactless functionality in contactless credit card products; and

²⁹ This includes requirement for issuer to provide the necessary documents pursuant to paragraph 14.5 of Policy Document on Risk Management in Technology (RMiT) for the introduction of new services or any enhancements not listed in the prescribed list and undertake vulnerability assessment and penetration testing and address all the issues prior to implementation of CDCVM.

³⁰ For the avoidance of doubt, more secure authentication shall align with requirements on control measures for digital services under the Policy Document on Risk Management in Technology (RMiT) and the authentication notification should not include any use of hyperlink.

- (c) Raise awareness among cardholders about the mechanism set out in paragraphs (a) and (b), at minimum via the issuer's websites and PDS.

- S** 46.2 Issuer shall ensure that verification is conducted once transactions exceed the single transaction limit or the daily cumulative limit for contactless transactions, i.e., via chip and PIN.
- S** 46.3 Requirements under paragraphs 46.1 and 46.2 are not applicable to contactless transactions which are authenticated via the use of an authentication method that combines two (2) or more factors (e.g., PIN), inherent factors (e.g., biometric characteristics) or possession factors (e.g., credit card product, mobile device).

47 Kill switch

- G** 47.1 Issuer should provide convenient 24/7 access for cardholders to temporarily suspend their credit card products in the event of suspected fraud such as by offering a self-service kill switch or freeze function in the issuer's online banking website or mobile application.

48 Cooling off period for higher risk activity

- S** 48.1 Issuer shall introduce an appropriate cooling-off period for:
- (i) Enrollment of a secure device; and
 - (ii) Changes of mobile phone/personal details.
- The Bank reserves the right to assess the reasonableness of the cooling off period, and to specify a longer cooling off period, where necessary to ensure the effectiveness of the countermeasure
- S** 48.2 Issuer shall clearly notify the cardholders on the imposition of a cooling off period at the point of its activation through all available communication channels, either in writing or verbally, such as via e-mail, SMS or telephone call.

49 Hotline

- S** 49.1 Issuer shall provide effective and convenient means for cardholders to notify the issuer of any lost, stolen or unauthorised use of their credit card products. This shall include having a dedicated hotline which is operational at all times.
- S** 49.2 Issuer shall implement procedures for acknowledging receipt and verification of the notification of a lost, stolen or unauthorised use of the credit card products. This information must be featured prominently on the issuer's website and mobile application.

- S** 49.3 Issuer shall ensure that its customer service centre is adequately resourced and operating effectively to provide prompt and adequate assistance to cardholders in distress.
- G** 49.4 Issuer should advise cardholders to use the contact number indicated at the back of their credit card products to ensure consistent communication to cardholders and easy access to credit card products-related assistance.

50 Transaction alerts

- S** 50.1 Issuer shall provide transaction alerts³¹ to their cardholders through prominent channels, such as via SMS or in-app notification.
- S** 50.2 Issuer shall provide transaction alerts in the case of rejected card-not-present transactions, including a brief remark on the cause of rejection.
- S** 50.3 Issuer shall take into consideration the following criteria, among others, to identify high-risk transactions and trigger transaction alerts:
- (a) Transaction type, e.g., transaction at high-risk merchants.
 - (b) Transaction location, e.g., transaction in high-risk countries.
 - (c) Transaction amount, e.g., transaction exceeding certain amount.
 - (d) Transaction velocity, e.g., transaction exceeding certain number per day.
 - (e) Transactions detected in relation to requirements outlined in paragraph 40.1.
- S** 50.4 Issuer shall provide transaction alerts to cardholders in the event any of the following triggers are met:
- (a) Transactions exceeding a specified threshold amount. In this regard, issuer shall set the threshold amount including for contactless transactions³² to trigger a transaction alert. Issuer shall allow cardholders to set their own preferred threshold amounts for the transaction alert. If cardholders do not set the preferred threshold amount, the issuer shall send transaction alerts based on the default threshold amount set by the issuer.
 - (b) First time use of new card.
 - (c) All card-not-present transactions, except for recurring auto-debit transactions. However, issuer shall take the necessary steps to ensure the auto-debit transaction is a genuine transaction.
 - (d) High-risk transactions as stipulated under paragraph 50.3.
 - (e) Activation of self-service toggle to enable CNP and overseas transaction.
- S** 50.5 By default, transaction alerts must be sent for transactions meeting the specified criteria as stated in paragraphs 50.3 and 50.4, except where the cardholders opt not to receive any transaction alerts. Where

³¹ For the avoidance of doubt, transaction alerts shall not include any use of hyperlink

³² Any upward revision to the agreed threshold for contactless transaction without authentication requires notification to the Bank.

cardholders opt not to receive transaction alerts, issuer must ensure that the cardholders:

- (a) Understand the risks associated with their decision; and
- (b) Submit such request in writing.

- S** 50.6 To ensure the effectiveness of the transaction alerts, issuer shall ensure that the contact numbers of their cardholders are kept up-to-date. As such, issuer must continuously remind their cardholders on the need to provide updated contact numbers on a timely basis and enable notification for the issuer's mobile application. Issuer shall verify that the contact details are provided by the cardholders
- S** 50.7 To mitigate against potential abuse, issuer shall not provide any contact number or hyperlink as part of the message in a transaction alert.
- S** 50.8 Issuer shall not transfer the cost of sending transaction alerts to their cardholders.

APPENDICES

Appendix I - Product Disclosure Sheet (Credit Card and Credit Card-i)

PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your credit card/*credit card-i*.

Other customers have read this PDS and found it helpful; **you should read it too.**

Issuer Logo and
Name

Date: _____

1 What is [Product Name]?

[Product Name] is a *Gold Visa credit card/credit card-i*, to be used primarily for the payment of goods and services. This card can also be used to withdraw cash via Cash Advance from an ATM facility. Where any amount of the credit utilised by you has not been settled in full on or before the due date, the unsettled amount will be subject to finance charges.

Issuers to briefly describe the applicable Shariah concept for credit card-i.

2 Know Your Obligations

Minimum monthly repayment:

- 5% of outstanding balance or a minimum of **RM x**
- Monthly instalment of easy payment plan and balance transfer plan, if any; **and**
- Monthly term loan instalment for automatic balance conversion, if any.

It is your responsibility to:



Read and understand the **key terms** in the contract before you sign it.



Pay at least the minimum monthly repayment amount **by the due date**.

N1

Fees and charges:

- Annual fee: **RM x**
- Cash advance fee: **RM x**
- Over-the-limit fee: **RM x**
- Card replacement fee: **RM x**



Contact us immediately, after having discovered the loss **or** unauthorised use of your card.

Finance charges *[Profit rates]*:

1. Purchases

- Prompt minimum monthly payments for 12 consecutive months: **xx%**
- Prompt minimum monthly payments for 10 months or more in last 12 month: **xx%**
- Cardholders who do not fall under the above categories: **xx%**

2. Cash advance: **xx%**

3 Know Your Risks

What happen if you fail to pay the minimum monthly repayment amount?

1. You **pay more in total** due to late payment charge (i.e. 1% of the outstanding balance or a minimum of RM 10).
2. We may **deduct** money from a savings account you have with us to set-off your credit card/*credit card-i* balance.
3. We may **terminate** your credit card/*credit card-i*.
4. Your **credit score** may be affected, leading to credit being more difficult or expensive.

4 Key Terms

- a. You may be liable for unauthorised transactions if you have:
 - acted fraudulently;
 - refused to cooperate with the issuer in the investigation; or
 - failed to carry out the obligations informed by the issuer
- b. If you fail to abide by the terms and conditions of your credit card/*credit card-i*, we have the right to terminate your card.

If you have any question or require assistance on y our credit card/*credit card-i*, you can:



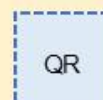
Call us at
xxx-xxx-xxxx



Visit us at:
[https://\[product
webpage\].com](https://[product webpage].com)



Email us at:
xxx@Xmail.com



Scan the QR
code above

N2

N3

Customer's Acknowledgment*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- ☐ I acknowledge that [issuer name] has provided me with a copy of the PDS.
- ☐ I have read and understood the key information contained in this PDS.

**A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

Name:
Date:

Notes on PDS requirements

An issuer must refer to the following table when preparing PDS for a credit card/*credit card-i*. The red annotations with an “N” numbering are for the issuer’s reference only. They must be removed from the PDS to be provided to financial consumers.

An issuer has the flexibility to use appropriate infographics, illustration or colour to draw the attention of financial consumers to important information in the PDS.

Item	Notes on PDS requirements
N1	An issuer must disclose all applicable fees and charges relating to the use of the credit card/ <i>credit card-i</i> .
N2	<p>An issuer must indicate the available avenues for financial consumers to contact the issuer should they have any questions or require assistance.</p> <p>QR code is only an <u>example</u> of the available avenues. If an issuer includes QR code to direct financial consumers to further information about the product, the issuer is reminded to adhere to the disclosure principles under paragraph 9.1 of Policy Document on Product Transparency and Disclosure.</p>
N3	<p>It is <u>optional</u> for an issuer to include this section for financial consumers to acknowledge that they have read and understood the PDS.</p> <p>A financial consumer’s acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions disclosed in this PDS.</p>

Appendix II - Minimum payment warning statement

WARNING ON PAYING ONLY MINIMUM MONTHLY REPAYMENT

If you make only the minimum repayment each period, you will pay more in interest and it will take you longer to pay off your outstanding balance. Please refer to the back page for more information. Alternatively, you may refer to the credit card calculator available on our website.

Appendix III - Standard illustrative example on how long it would take to pay off outstanding balance

	Examples under different outstanding amount scenarios					
Outstanding balance (RM)	3,000		5,000		10,000	
Repayment	Pay only minimum amount* (RM150 in 1st month)	Pay RM250 every month	Pay only minimum amount* (RM250 in 1st month)	Pay RM350 every month	Pay only minimum amount* (RM500 in 1st month)	Pay RM600 every month
Repayment period	4 years 7 months	1 year 2 months	5 years 9 months	1 year 5 months	7 years 4 months	1 year 8 months
Total interest incurred (RM)	RM1,055	RM333	RM1,912	RM670	RM4,055	RM1,594
Total amount to be settled (RM)	RM4,055	RM3,333	RM6,912	RM5,670	RM14,055	RM11,594

Note: Minimum payment amount is 5% of the monthly outstanding balance or RM50, whichever is higher.

Assumptions:

1. Interest rate - 18% p.a.
2. No new transaction on the card
3. 30 days a month

Appendix IV - Minimum disclosure in monthly statement

Interest free period / Grace period:	e.g. there is no interest free period on cash advances / there is no grace period on cash withdrawals
Interest charging information / Profit or fee charging information	<p>Indicate the computation method and the periods over which interest / profit or fee is charged for</p> <ul style="list-style-type: none"> • Purchases • Cash advances / withdrawals • Balance transfers
Fees and charges	<ul style="list-style-type: none"> • Cash advance / withdrawal fee • Replacement of card • Overseas transactions • Other charges
Default charges	<ul style="list-style-type: none"> • Late payment charge and its computation • Over-the-limit fee / compensation charge
Payment allocation statement	
Statement on liability for unauthorised transactions	
Information on customer service contact details and BNMLINK	

Appendix V - Statement on minimum monthly repayment

Existing balance		RM 3,000.00
Minimum payment due		RM150.00
Payment due date		15 Jan 2026
Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:		
If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of interest of....
Scenario 1: Pay only the minimum payment* (i.e. RM150 in the 1st month)	4 years and 7 months	RM1,055
Scenario 2: Pay RM200 every month	1 year and 5 months	RM424 (Savings = RM631)

Note: Minimum payment amount is 5% of the monthly outstanding balance or RM50, whichever is higher.

Assumptions:

1. Interest rate - 18% p.a.
2. No new transaction on the card
3. 30 days a month

Appendix VI - Example of services, privileges and benefits as well as allowable fees and charges on *ujrah* based credit card-i

The following table illustrates the example of services, privileges and benefits based on the underlying Shariah concepts of *Qard* and *Ujrah*, as well as the allowable fees, charging period and fee components.

Concept		<i>Qard</i>	<i>Ujrah</i>																
Services, privileges and benefits		a) Credit limit b) Cash withdrawal	a) 24-hour customer services b) ATM and CDM machines c) Online or phone banking d) Delivery of card replacement around the world within 24 hours e) Membership of clubhouse f) Newsletter g) Travel assistance h) Discount and privileges at selected outlet i) Global emergency assistance j) Global card acceptance k) Global ATM network l) Airport lounge access m) Airport speed pass																
	Fees & charges	Not allowed to charge fee on loan amount except for direct costs	Fee charged based on services, benefits, facilities or privileges offered to the cardholders																
	Period	Upon the transaction	Annual or monthly basis																
	Component	Transaction fee for cash withdrawal inundated	a) Fees component to compute rebate: (i) Fixed <i>ujrah</i> <table border="1"> <thead> <tr> <th>Credit card-I type</th><th>Min. credit limit (RM)</th><th>Max. credit limit (RM)</th><th>Fixed <i>ujrah</i> charge (RM/month)</th></tr> </thead> <tbody> <tr> <td>Silver</td><td>2,000</td><td>5,000</td><td>75</td></tr> <tr> <td>Gold</td><td>5,001</td><td>50,000</td><td>750</td></tr> <tr> <td>Platinum</td><td>50,001</td><td>500,000</td><td>7,500</td></tr> </tbody> </table> (ii) Actual <i>ujrah</i> b) Annual fee c) Card replacement fee d) Late payment charge	Credit card-I type	Min. credit limit (RM)	Max. credit limit (RM)	Fixed <i>ujrah</i> charge (RM/month)	Silver	2,000	5,000	75	Gold	5,001	50,000	750	Platinum	50,001	500,000	7,500
Credit card-I type	Min. credit limit (RM)	Max. credit limit (RM)	Fixed <i>ujrah</i> charge (RM/month)																
Silver	2,000	5,000	75																
Gold	5,001	50,000	750																
Platinum	50,001	500,000	7,500																