

CODE OF ADVERTISING PRACTICE FOR BANKS

1. An advertisement is defined in the Singapore Code of Advertising Practice (2nd Ed.) as any form of commercial communication for any goods or services, regardless of medium used.
2. Media used for advertisement include: -
 - a. publication in a newspaper, magazine, journal or other periodical
 - b. circulars, brochures, pamphlets, books or other documents
 - c. indoor or outdoor display of posters or notices
 - d. radio, television, cinema, the internet or other media
 - e. letters/fax transmissions to customers/potential customers
 - f. non-broadcast electronic media such as computer games
3. Advertisements should be legal, clear, fair, reasonable and not be misleading. They should not mislead in any way by inaccuracy, ambiguity, exaggeration, omission or otherwise. Product labeling should not create an impression that a product has certain characteristics that it does not have. It would be an unfair practice for an advertisement to say anything, or fail to say anything, if, as a result of which, a consumer might be deceived or misled; or if the advertisement makes a claim that is false.
4. Advertisements should be clear and easily understood by the audience being addressed. Advertisers should ensure that they do not take advantage of people's inexperience or gullibility. It is an unfair practice for the advertiser to take advantage of a consumer if the advertiser knows or should reasonably be expected to know that the consumer (a) is not in a position to protect his or her own interests or (b) is not reasonably able to understand the character, nature, language or effect of the transaction or proposed transaction or any matter related to the transaction.
5. Advertisements should indicate the nature of the contract being offered, and provide information on any limitations on eligibility, any charges, expenses, risks, penalties attached and the terms on which withdrawal may be arranged. Alternatively, if an advertisement is short or general in its content, explanatory material giving full details of the facilities or opportunities available should be readily available before a binding contract is entered into.

Advertisements should present a balanced picture of the product being advertised. The main risks and drawbacks should also be highlighted to balance the 'headline' benefits, which should be realistic and not based only on an optimistic view of events.

Effective Interest Rate

6. Any advertisement for interest-bearing deposit accounts and loan products which include a reference to an interest rate must include the Effective Interest Rate (EIR). All relevant fees and charges, and full details of the relevant terms and conditions are available on request. The EIR must be given equal prominence to the applied interest rate. Please refer to ABS Bye-laws and Regulations for the definition and formula for the calculation of EIR.

Statutory and Other Regulatory Requirements

7. All advertising materials must comply with all relevant laws, statutory and regulatory guidelines issued by the government of Singapore. Banks must have adequate policies, procedures and systems to ensure compliance with all laws, regulations and guidelines, as well as this advertising code.

Advertising for Unit Trusts

8. Advertisements for unit trusts must comply with the provisions of the Financial Advisers Act and Securities and Futures Act, and the related regulations and notices issued by the Monetary Authority of Singapore. Specific provisions to be complied with include, but not limited to:

a	Code of Collective Investment Scheme	Paragraph 6 and Appendices
b	Financial Advisers Act	Section 26
c	MAS Notice FAA-N03	Paragraphs 10, 11, 25 to 28, Annex A
d	Securities and Futures Act	Section 300
e	Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2002	Regulations 20A, 21 to 29

Advertising for Bancassurance

9. Advertisements for Bancassurance products must comply with guidelines issued by the Life Insurance Association of Singapore – LIA Guidelines on Disclosure Requirement For Promotional Materials and Benefit Illustrations, as well as items (b) and (c) of the table in paragraph 8 above.