



## External Relations Department

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### **SBP formulates Product Disclosure Requirements for all types of Personal, Housing and Auto Finance products.**

In order to help consumers to make informed decisions and enhance their confidence in financial products, the State Bank of Pakistan has formulated Product Disclosure Requirements (PDRs) for all types of Personal, Housing and Auto Finance products.

Banks/Micro Finance Banks (MFBs) are required to invariably provide an upfront 'Product Key Fact Statement' (PKFS) to their prospective customers with effect from 1<sup>st</sup> January, 2017. The move is aimed at enhancing the existing level of transparency and disclosure in the financial products as a part of pre-disbursement procedure. Banks/MFBs may, however, add any further information in the PKFS as deemed necessary. Moreover, banks/MFBs shall retain a duplicate copy of PKFS duly signed by their customers and the authorized officer of the bank as per their record retention policy.

It merits mentioning here that in the wake of growing diversity and complexity in financial products, making an informed decision is one of the challenges for the financial consumers. In this regard relevant, reliable and comparable information on financial products, complemented with a robust consumer protection framework is necessary to facilitate consumers and also to promote financial inclusion and stability.

All banks/MFBs are advised to follow the attached PDRs in letter and spirit. Any deviation or non-compliance of the same shall attract punitive action under the relevant provisions of the Banking Companies Ordinance, 1962.

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