Saudi Banks Comments on the BCBS Consultative Document regarding Point of Sale disclosure in the Insurance, Banking and Securities Sectors

Bank # 1

The Bank believes that the consultative document does not facilitate the comparison of competing products. The quality and types of disclosures recommended should vary between different products. We therefore recommend that regulators in the process of unifying the POS disclosure policies for Saudi Banks, should consider that such disclosures should not dampen competition, and more importantly, not result in banking products becoming a commodity type items.

The monitoring of the POS disclosures will require dedicated resources in the Bank to ensure that such information is kept up to date and published on a regular basis. Thus, adding costs to deliver the Bank's products and services to customers.

Any misleading disclosure should result in a financial penalty.
Regulator must ensure that disclosures are fairly, consistently and accurately made in order to protect consumers and banks.

Bank # 2

The Consultative Draft (CD) outlines eight (8) recommendations addressed to policy makers and supervisors for all major sectors of the industry (Banking, Insurance and Financial sectors). However, these sectors will have their own legislative and regulatory frameworks unique to their industry and these are either in process or are being finalized. However, the major focus should be to ensure that there is consistency in their application across these financial sectors.

Bank # 3

The POS disclosure document should not exceed a certain number of pages and must have the minimal font size for similar types of products.

The POS disclosure standards should accommodate different requirements for different customer segments.

A distinction should be made between POS disclosure requirements for retail and professional investors. This is because a retail investors need more statutory protection than the professional investors who tend to be more sophisticated and better informed.