



FMOS

Financial
Markets
Ombudsman
Service

**RULES OF THE
FINANCIAL MARKETS
OMBUDSMAN
SERVICE (FMOS)**

Financial Markets Ombudsman Service (FMOS) Rules

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Introduction

- (i) The Financial Markets Ombudsman Service (“**FMOS**”) is a body corporate that operates a financial ombudsman scheme approved under section 126(2) of the Financial Services Act 2013 and section 138(2) of the Islamic Financial Act 2013, provided under section 42A of the Development Financial Institutions Act 2002 and approved under section 379(b) of the Capital Markets and Services Act 2007 read together with paragraph 3(1) of the Capital Markets and Services (Dispute Resolution) Regulations 2010 to provide for the effective and fair handling of complaints and the resolution of disputes between Complainants and Members. It is an alternative to, and does not replace, court proceedings.
- (ii) Effective from [1 January 2025], FMOS replaces the Ombudsman for Financial Services and the Securities Industry Dispute Resolution Center, in providing complimentary dispute resolution services to Complainants.
- (iii) FMOS will be governed by these FMOS Rules (“**Rules**”) which set out, among others —
 - (a) the principles for dispute resolution in Rule 2; and
 - (b) the dispute resolution process, which includes the procedures and time frame of the case management and adjudication processes, as well as the Adjudication Decision that may be granted by an Ombudsman in Rule 11;
- (iv) These Rules may be amended with the approval of the Board of FMOS and the Authorities.
- (v) FMOS may facilitate the development and implementation of best practice standards in dispute resolution in the financial and capital markets.
- (vi) By submitting a dispute to FMOS, the Complainant and the Member are deemed to have agreed to have the dispute considered under FMOS Rules and shall comply with the Rules.
- (vii) FMOS’ interpretation of FMOS Rules shall be final, conclusive and binding on the Parties.

Rule 1

1. Definitions

1.1. In these Rules, unless the context otherwise requires –

“Adjudication Decision” means a decision by an Ombudsman issued pursuant to Rule 11.19.

“Authority” means Bank Negara Malaysia as defined in section 3 of the Central Bank of Malaysia Act 2009 or Securities Commission Malaysia established under the Securities Commission Act 1993, as the case may be (collectively referred to as **“Authorities”**).

“Board” means the board of directors of FMOS as approved by the Authorities.

“Case Manager” means any person employed by FMOS to act as a case manager and discharge their obligations under Rule 11.3 for disputes referred to FMOS, including case managers appointed by the CEO from a panel of external case managers who possess specialised knowledge or in-depth understanding of the kind of dispute before FMOS, including knowledge on mediation.

“Chief Executive Officer” or **“CEO”** means the person appointed by the Board to manage and direct the day-to-day administration and affairs of FMOS in accordance with these Rules.

“Complainant” means a person referred to under Rule 3.

“Constitution” means the Constitution of FMOS, including any modification and amendment thereof.

“Dispute” means a dispute between a Complainant and a Member in respect of financial and capital market services or products and Islamic financial services or products developed, offered or marketed by a Member, or by a Member for or on behalf of another person as set out in these Rules;

“Dispute Resolution Process” means the methods, procedures and processes applied by a Case Manager and/or Ombudsman to resolve a dispute, and may include the initial vetting stage, case management stage and adjudication stage as elaborated in these Rules, as the case may be.

“FMOS” means the Financial Markets Ombudsman Service.

“FMOS Regulations” means –

- (a) the Financial Services (Financial Ombudsman Scheme) Regulations 2015 made pursuant to the Financial Services Act 2013;
- (b) the Islamic Financial Services (Financial Ombudsman Scheme) Regulations 2015 made pursuant to the Islamic Financial Services Act 2013;

- (c) the Development Financial Institutions (Financial Ombudsman Scheme) Regulations 2016 made pursuant to the Development Financial Institutions Act 2002;
- (d) the Capital Markets and Services (Dispute Resolution) Regulations 2010 issued pursuant to the Capital Markets and Services Act 2007.

“Member” means the following persons:

- (a) licensed banks;
- (b) licensed Islamic banks;
- (c) licensed insurers;
- (d) licensed takaful operators;
- (e) prescribed development financial institutions;
- (f) approved financial advisers and approved Islamic financial advisers;
- (g) approved insurance brokers and approved takaful brokers;
- (h) approved issuers of a designated payment instrument;
- (i) approved issuers of a designated Islamic payment instrument;
- (j) a corporation which is deemed to be a Member pursuant to the Capital Markets and Services (Dispute Resolution) Regulations 2010; and
- (k) any other person in relation to whom a direction has been issued by the Securities Commission Malaysia pursuant to the Capital Markets and Services (Dispute Resolution) Regulations 2010.

“Monetary Limit” means a monetary limit of not exceeding RM250,000.00 per Dispute.

“Ombudsman” means any person employed by FMOS to act as an ombudsman of disputes referred to FMOS, including ombudsmen appointed by the CEO from a panel of external ombudsmen who possess specialised knowledge or in-depth understanding of the kind of dispute before FMOS, including knowledge of adjudication.

“Party” or **“Parties”** means the Complainant or the Member or both.

“Predecessor Scheme” means the scheme operated by the Ombudsman for Financial Service (OFS) and/or Securities Industry Dispute Resolution Center (SIDREC), as the case may be.

“Recommendation” means a recommendation by a Case Manager issued pursuant to Rule 11.9.

1.2. In these Rules:

- (a) A reference to the singular number includes, where the context requires, the plural number and *vice versa*;
- (b) A reference to the male gender includes, where the context requires, the female gender and *vice versa*;
- (c) A reference to a statute, ordinance, code or other law includes regulations and

other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and

- (d) Headings are inserted for convenience only and do not affect the interpretation of these Rules.

Rule 2

2. Principles in FMOS' operations and process

2.1. In dealing with any dispute, FMOS shall be required to observe the following principles:

- (a) **Independence:** FMOS shall be subject to the oversight of the Board, which is responsible for ensuring the integrity of FMOS' operations and its ability to provide effective and independent services to Complainants and Members. FMOS' decision-making process shall be objective and independent of the Members and Complainants. FMOS shall not act as an advocate for any Party;
- (b) **Fairness and Impartiality:** In dealing with disputes, FMOS shall act fairly and impartially. The Case Managers and Ombudsmen must ensure that information provided by Members and Complainants is carefully and objectively considered in reaching a well-reasoned decision, while having regard to the law, regulations, standards, codes and/or guidance issued by the Authority as well as industry best practices. FMOS must ensure that at all times, the Case Manager and Ombudsman handling a dispute have no conflict of interest with any of the Parties, and provide fair, adequate and intelligible reasons for any decisions given. The Case Manager and Ombudsman shall disclose any interest or situation that will give rise to a conflict of interest with FMOS should such interest or situation arise at any time during the Dispute Resolution Process;
- (c) **Accessibility:** FMOS shall promote easy and affordable access to its services by creating awareness of its services, maintaining easy-to-understand, clear and transparent procedures for Complainants to refer a dispute to FMOS;
- (d) **Accountability:** FMOS shall publish an annual report on its activities and operations and submit it to the Authority during the financial year, including its audited annual accounts;
- (e) **Transparency:** FMOS shall publish information on the services and scope of coverage. This may include the types of disputes and outcomes by Case Managers and Ombudsmen, the approach adopted in handling disputes and the manner in which the decisions were made; and
- (f) **Effectiveness:** FMOS shall have the necessary resources, coverage and powers to resolve disputes in a timely and effective manner. This includes ensuring an adequate number of suitably qualified and competent Case Managers and Ombudsmen that is proportionate to the volume and complexity of disputes

handled. In resolving disputes, FMOS shall proceed in a manner that enables the Complainants to comprehend the dispute resolution process, which shall include explaining terms in plain language, avoiding legal jargon and technical terms or explaining the process using simple charts or diagrams. Decisions on disputes and reasons for the decision must be clearly communicated to the Parties.

Rule 3

3. Complainant

3.1. Subject to the Monetary Limit set out in these Rules, the following persons are eligible to bring a complaint against a Member for direct financial loss before FMOS:

- (a) a financial consumer who uses or has used financial services or products provided by a Member:
 - (i) for personal, domestic or household purposes; or
 - (ii) in connection with a small business; or
- (b) is an individual investor or sole proprietor having a dealing or transaction relating to capital market services or products involving a Member.

3.2. For the purposes of Rule 3.1(a) above, unless the context otherwise requires—

- (a) a financial consumer includes a person insured under a group policy or a person covered under a group takaful certificate where the premiums or contributions are paid by the person insured or the person covered, as the case may be;
- (b) small business refers to micro and small enterprises as defined in SME Corporation Malaysia's "Guideline for New SME Definition" dated October 2013, including any reissuance or amendments thereafter; and
- (c) a financial consumer includes —
 - (i) a 'third party' under an insurance or a takaful contract for motor third-party property damage;
 - (ii) a guarantor of a credit facility provided by a Member;
 - (iii) a nominee or a beneficiary under a life policy/family takaful certificate or a personal accident policy/takaful certificate, including a beneficiary under a group policy or a group takaful certificate where the premiums or contributions are paid by the person insured or the person covered, as the case may be; and
 - (iv) a person insured under a group policy and his beneficiaries, or a person

covered under a group takaful certificate and his beneficiaries, where the premiums or the contributions are paid by the Federal and/or State Government and the group policy or the group takaful certificate provides for the person insured or the person covered to deal directly with the Member in the event of a claim.

- 3.3. For the avoidance of doubt, FMOS has the sole discretion in determining whether a financial consumer qualifies as a Complainant for purposes of filing a Complaint with FMOS, and such determination is final and binding.
- 3.4. In the event the Complainant's direct financial loss exceeds the Monetary Limit, the Complainant and the Member may jointly agree to refer such dispute to FMOS.
- 3.5. In the event the sum claimed by a Complainant is quoted in a foreign currency, FMOS will apply the last applicable "Middle rate" from the Interbank Foreign Exchange Market as published on Bank Negara Malaysia's website as at the date of lodgment of the dispute with FMOS and at the time as may be determined by FMOS.
- 3.6. Subject to the approval of FMOS, when a person who is eligible to file a Complaint at FMOS has died, whether or not such Complaint has been filed at FMOS, the dispute may be filed or continued, as the case may be, at FMOS by the deceased's estate, next-of-kin, personal representative, nominated beneficiary, or any other person as deemed appropriate by FMOS.
- 3.7. Subject to the approval of FMOS, when a person who is eligible to file a dispute at FMOS has become medically unfit (physically or mentally), whether or not such dispute has been filed at FMOS, the dispute may be filed or continued at FMOS, as the case may be, by the guardian of such person, or any other person as deemed appropriate by FMOS.
- 3.8. When the Complainant files a dispute at FMOS, without prejudice to the Complainant's legal rights of action under any written law or action, the Complainant is not entitled to lodge a claim on such dispute with the Tribunal for Consumer Claims established under the Consumer Protection Act 1999, unless the Complainant withdraws the dispute from FMOS in writing.

Rule 4

4. Types of Disputes eligible for consideration

- 4.1. FMOS will consider a Dispute against a Member for a direct financial loss up to the Monetary Limit as set out in these Rules.
- 4.2. FMOS will handle a Dispute filed by a Complainant against a Member regardless of whether or not that financial or capital market service provider was a Member at the time of the act or omission.

- 4.3. FMOS has the sole discretion in determining –
- (a) a financial consumer who qualifies as a Complainant;
 - (b) whether a dispute constitutes one claim or more;
 - (c) other powers of FMOS in determining eligibility of Complainant and dispute.

Rule 5

5. Excluded disputes

- 5.1. The following disputes fall outside the scope of FMOS:
- (a) A dispute that is beyond the Monetary Limit except where the Parties jointly agree in writing to submit the dispute to FMOS;
 - (b) A dispute arising from commercial decisions within the discretion of the Member e.g., general pricing/product pricing, fees & charges, product features, credit or margin or underwriting decisions, or applications to restructure or reschedule a loan or financing, save and except in respect of any alleged non-disclosure or misrepresentation/mis-selling by the Member in relation to such financial and capital market product or service;
 - (c) A dispute concerning the actuarial standards, tables and principles which the Member applies to its long-term insurance/takaful business (including the method of calculation of surrender values, paid-up policy values, interest rate imposed on Non-performing loan (NPL)/Automatic Premium Loan (APL), and the bonus rate applicable to the policy in question) for insurance or takaful claims, except guaranteed payments which are explicitly mentioned in the terms and conditions of the policy;
 - (d) A dispute that has been filed in court or referred to arbitration or has been decided by a court or arbitrator;
 - (e) A dispute that is referred to FMOS after more than 6 months from the date of receipt of the Member's final decision (save and except in circumstances where extension of time is granted by FMOS);
 - (f) A dispute that has exceeded the relevant limitation periods as provided under the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap.72) or Limitation Ordinance (Sarawak) (Cap. 49), as the case may be, at the time the Complaint is submitted to FMOS;
 - (g) A dispute for which a final and binding decision has already been given by FMOS (or its Predecessor Scheme) unless new material evidence arises that may affect the earlier decision;

- (h) A dispute concerning the performance of a product (financial or capital market) or investment save and except in respect of any alleged non-disclosure or misrepresentation/mis-selling by the Member in relation to such product or capital market service;
- (i) A dispute that involves more than one Complainant and has been referred to FMOS without the consent of the other Complainant, and FMOS is of the view that it would be inappropriate to deal with the dispute without the other Complainant's consent;
- (j) A dispute involving claims arising from third-party bodily injury or death;
- (k) A dispute relating to the payment of policy money under a life policy and personal accident policy or payment of takaful benefits under a family takaful certificate and personal accident takaful certificate made in accordance with the provisions set out in Schedule 10 of the Financial Services Act 2013 and the Islamic Financial Services Act 2013, respectively;
- (l) A dispute which involves a Member against which a winding up order has been made, or where the Member has been declared to be financially insolvent by a court of law, or has been the subject of a declaration of an event of default pursuant to the rules of the Capital Market Compensation Fund Corporation; and
- (m) A dispute involving matters under investigation by the Authorities where the Authorities have issued a direction under the Regulations to FMOS not to proceed with the Dispute Resolution Process.

Rule 6

6. Time limit to refer a dispute to FMOS

- 6.1. A Complainant may file a Complaint with FMOS after such dispute has been referred to the Member involved in the dispute for internal resolution and—
 - (a) the Member has considered the matter and issued its final decision within 60 days from the date the dispute was first referred to the Member, and the Complainant does not agree with such decision; or
 - (b) the Member fails to respond within 60 days from the date the dispute was first referred to the Member.
- 6.2. A final decision by a Member under Rule 6.1(a) must—
 - (a) be issued in writing to the Complainant through a letter or an email informing the Complainant that it is the Member's final decision for the dispute;

- (b) state the availability of FMOS as an alternative dispute resolution channel, including the contact details of FMOS; and
- (c) state that if the Complainant is dissatisfied with the final decision, he must file his Complaint at FMOS within 6 months from the date of receipt of the Member's final decision. If the Member fails to inform the Complainant of the deadline for filing a Complaint at FMOS in such decision, the 6-month timeline will run from the date on which the Member's subsequent written communication to the Complainant informs the Complainant of such timeline. Where the Member fails altogether to inform the Complainant of such timeline in any of its communications with the Complainant, there shall be no deadline for the Complainant to file the Complaint at FMOS.

6.3. Notwithstanding Rule 6, FMOS may exercise its discretion to accept a dispute that falls outside the time limit if—

- (a) there are exceptional circumstances which warrant FMOS to accept such Complaint. These include, but are not limited to, situations where the Complainant was certified by a registered medical practitioner as medically unfit at the material time; or
- (b) the Member does not object to FMOS accepting such Complaint.

Rule 7

7. Discretion to dismiss a dispute

7.1. Subject to approval of a panel consisting of the CEO and 2 Ombudsmen, the assigned Case Manager may refuse to consider or continue to consider a Dispute, or dismiss a Dispute, where:

- (a) the dispute is frivolous, vexatious, lacking in substance or clearly unsustainable; or
- (b) the dispute relates to or has an element of fraud perpetrated by the Complainant against the Member.

7.2. Any decision of the assigned Case Manager under Rule 7.1 must be made in writing and substantiated by reasons within 14 days after receiving the complete documents from both Parties. The Complainant may, within 14 days from the date of notice of such decision, request for a new Case Manager to review the decision made. The new Case Manager assigned to conduct the review shall decide on the request within 14 days from the date of receipt of such request subject to the approval of the panel consisting of the CEO and 2 Ombudsmen.

Rule 8

8. Dispute resolution approaches

- 8.1. Since FMOS is an alternative dispute resolution body and not a court, its processes are inquisitorial in nature and are not bound by any rules of evidence, prosecution, defence by a lawyer, sworn witnesses, cross-examinations and formal legal procedures as adopted by the court. The Case Manager or the Ombudsman may review the merits, investigate, and examine the evidence on and relating to the dispute on the basis of what is fair and reasonable, as it deems fit, and may contact the Parties to the dispute to establish the facts of the dispute or to seek further clarification.
- 8.2. In resolving a dispute, FMOS shall deal with a dispute on its merits and do what is fair and reasonable in all circumstances and may have regards to the terms and conditions of any contract for the financial services or products entered into between the Parties, any applicable law, regulations, standards, codes and/or guidelines issued by the Authorities, as well as industry best practices, and any previous decisions of FMOS or the Predecessor Scheme.
- 8.3. A dispute is resolved based on the documents or information submitted by the Parties to FMOS. Where it is deemed appropriate by FMOS, it may conduct an interview with the Parties either individually or jointly. Such an interview or meeting is neither a mandatory procedure nor a compulsory step in resolving a dispute. FMOS has the full discretion to decide on the most effective approach to resolving the dispute.

Rule 9

9. Dispute resolution method

- 9.1. FMOS may use negotiation, conciliation, mediation, and/or adjudication means to resolve a dispute.

Rule 10

10. Initial vetting stage

- 10.1. A dispute lodged with FMOS will be reviewed by the assigned Case Manager.
- 10.2. The assigned Case Manager will assess whether the dispute falls within the jurisdiction of FMOS.
- 10.3. If the dispute meets the eligibility criteria, FMOS will register the dispute within 14 days after receiving adequate documents from both Parties.
- 10.4. The Member shall pay FMOS case fees of:
 - (a) RM1,500.00 within 14 days upon registration of dispute by FMOS;

- (b) RM5,000.00 within 14 days upon referral of the dispute to the Ombudsman.
- 10.5. A decision by FMOS to register or reject any dispute shall be binding on the Parties.
- 10.6. For the purposes of Rule 10, the Case Manager may request for further information from the Complainant.

Rule 11

11. Dispute Resolution Process

Stage 1: Case Management

- 11.1. Once the case is registered, the matter will then be assigned to a Case Manager who will assess the case. If further information or documentation is required, the Case Manager will request for such information or documentation from the Complainant.
- 11.2. After having complete information from the Complainant, the Case Manager will write to the relevant Member involved to respond to the dispute.
- 11.3. The Case Manager's role includes but is not limited to—
 - (a) management of the dispute assigned to the Case Manager;
 - (b) assessment of the eligibility of a dispute lodged with FMOS;
 - (c) investigation of issues raised in or relating to a dispute, as he deems fit;
 - (d) acting as the primary point of contact between the Parties and FMOS;
 - (e) to encourage and facilitate dialogue, provide guidance, assist the Parties in clarifying their interests and in understanding differences, and working towards a mutually acceptable settlement;
 - (f) to conduct conciliation, negotiation, or mediation session, as he deems fit; and
 - (g) to issue a Recommendation relating to a dispute, as the case may be.
- 11.4. The Parties shall comply with any request by FMOS or take the necessary actions to facilitate the resolution of the dispute within any time frame stipulated by FMOS which may include requiring the Parties to:
 - (a) provide FMOS with all relevant data, information and materials;
 - (b) provide FMOS with the Member's investigation report on the dispute (including the grounds of its decision and any other relevant document or information);
 - (c) attend interviews, meetings or hearings;

- (d) submit statutory declarations from persons who have knowledge of or are connected to the dispute;
 - (e) complete its internal investigations into the dispute;
 - (f) appoint and solicit views of an independent expert pertaining to a matter on or relating to the dispute, if necessary;
 - (g) investigate further on specific issues identified by FMOS;
 - (h) be present at a location approved by FMOS for conciliation, negotiation, mediation or adjudication; and
 - (i) any other requirement as deemed necessary by FMOS.
- 11.5. The Parties shall comply with FMOS' request under Rule 11.4(a) except where the Complainant or Member can demonstrate that—
- (a) by providing the type of data, document and information as requested by FMOS, that party would breach a duty of confidentiality to a third party and, despite best endeavours, the third party's consent to the disclosure of the information has not been or cannot be obtained;
 - (b) by providing the type of data, document and information as requested by FMOS, that party would breach a court order or prejudice an investigation by the police or other law enforcement agencies;
 - (c) the type of data, document and information does not or no longer exists or is not within the Party's reasonable possession or control; or
 - (d) additional investigation is required since the information sought requires expert advice.
- 11.6. Where a Party without reasonable excuse fails to provide or procure information or to take any other step requested by FMOS within the timeframe specified, FMOS may take steps it considers reasonable in the circumstances. This may include:
- (a) proceeding with the resolution of the dispute on the basis that an adverse inference may be drawn from that party's failure to comply with FMOS' request; or
 - (b) to terminate the Dispute Resolution Process if the Complainant fails to comply with FMOS' request.
- 11.7. The Case Manager, within 30 days after receiving complete information including representations both oral and documentary on the matter, he will first assess the case, and may call both the Complainant and the Member for conciliation, negotiation or mediation.

- 11.8. If this process is successful, a settlement agreement is recorded with executed copies of the agreement forwarded to the respective Parties.
- 11.9. If no settlement is reached within the timeline stipulated in Rule 11.7, the Case Manager will issue a written Recommendation within 30 days from the date the Parties failed to reach an amicable settlement. The Recommendation must be in writing, setting out the names of the parties, the facts of the case, the issues therein and his opinion as to how the matter should be resolved and shall include a statement stating that any aggrieved Party has the right to refer the matter for adjudication.
- 11.10. If both Parties accept the Recommendation, the dispute is resolved based on the Recommendation and the Parties will enter into an agreement reflecting the terms of the settlement and an executed copy of the agreement will be forwarded to the Parties. The Complainant must undertake to provide the Member with a binding release of the Member's liability in respect of matters resolved by the Recommendation and such release shall be effective from the date on which the Member fulfills all its obligations under the settlement agreement.
- 11.11. If the matter is not settled at the Case Management stage either Party or both can request within 30 days from the date of notice of Recommendation for the matter to be adjudicated.
- 11.12. If the Complainant does not respond to the Recommendation within 30 days from the date of notice of Recommendation, the dispute is deemed not to have referred to adjudication. If the Member does not respond to the Recommendation within 30 days from the date of notice of Recommendation, the Member is deemed to have accepted the Recommendation.
- 11.13. A dispute may be referred directly by the Case Manager for adjudication without a Recommendation being first made if the Case Manager considers that it would be in the best interest of the Parties to resolve the Dispute urgently, having regard to urgency, the likelihood of systemic risks, the type of products or services involved, the amount of loss that may be suffered and the technical complexity of the dispute provided the Ombudsman and the Complainant agree. FMOS must inform the Parties of this intended course of action and FMOS must not proceed with the adjudication without first giving the Parties a reasonable opportunity to make further submissions and provide additional information about the dispute, if any.
- 11.14. A Complainant after lodging his dispute with FMOS is at liberty at any time in the entire dispute resolution process to withdraw the dispute in writing and is free to pursue his rights through any other means. The Member cannot withdraw from the dispute resolution process.

Stage 2: Adjudication

- 11.15. Once an Ombudsman is assigned to the case which must be done within 7 days from the date of receipt of request for adjudication, the Case Manager will forward a Case

File to the Ombudsman within 7 days of assignment. The Case File shall contain the following:

- (a) the Complainant's dispute and supporting documents;
- (b) the Member's response and supporting documents;
- (c) any documents secured by the Case Manager when the case was before him; and
- (d) the Case Manager's Recommendation.

11.16. The Ombudsman will review the entire matter including the Case Manager's Recommendation and assess it in the light of all information provided, and, in the course of this, may require the Parties to supply further documents or make further submission including a request for the physical presence of the Parties to appear before him.

11.17. The Ombudsman may provide a preliminary assessment of the dispute before it is adjudicated. If the Parties resolve the dispute based on the preliminary assessment, the Parties will enter into an agreement reflecting the terms of the settlement and an executed copy of the agreement will be forwarded to the Parties. The Complainant must undertake to provide the Member with a binding release of the Member's liability in respect of matters resolved and such release shall be effective from the date on which the Member fulfills all its obligations under the settlement agreement.

11.18. The Ombudsman will adjudicate the dispute by way of hearing or on a documents-only basis (including any written submissions, replies and clarifications, if any).

11.19. In delivering its decision, the Ombudsman may come to a contrary and/or different finding from the Case Manager who made the Recommendation or may concur with the Recommendation. After he has adjudicated on the matter, he must deliver his decision in writing setting out the ground for his decision within 14 days from receiving the Case File and/or any further documents requested provided always that this period may be extended due to complexity.

11.20. An Ombudsman shall exercise all powers, duties and responsibilities in accordance with the Constitution, FMOS Regulations and these Rules, including adjudicating and issuing an Adjudication Decision on a dispute.

11.21. The Adjudication Decision issued by the Ombudsman is final.

11.22. The Adjudication Decision granted by an Ombudsman may include as the Ombudsman considers just, fair and appropriate:

- (a) a monetary award against the Member for any loss suffered by the Complainant subject to the Monetary Limit;

- (b) a monetary award of such amount exceeding the Monetary Limit provided that FMOS, the Complainant and the Member agree in writing to refer such dispute to FMOS, and that the Complainant and the Member agree to be bound by such monetary award that an Ombudsman may grant;
- (c) a direction that requires a Member to take certain steps in relation to a dispute;
- (d) a direction that requires the Member to reimburse the actual expenses incurred by the Complainant in relation to a dispute, up to a maximum of RM3,000.00 per dispute;
- (e) a direction that requires the Member to pay, as the Ombudsman considers appropriate, for any inconveniences or distress suffered by the Complainant, up to a maximum of RM3,000.00 per dispute;
- (f) a late payment charges of 4% per annum on the amount awarded pursuant to this Rule 11.22(a),(b),(d) and (e) if the Member fails to pay the sum awarded within 14 days from the date the Member is informed of the Complainant's acceptance of the Adjudication Decision; and
- (g) such other relief as provided for in these Rules.

11.23. The Ombudsman shall not grant any punitive, exemplary, or aggravated damages.

11.24. The Complainant may choose to accept or reject the Adjudication Decision within 30 days from the date of notice of Adjudication Decision, failing which, the Complainant is deemed to have rejected the Adjudication Decision. If the Complainant rejects or is deemed to have rejected the Adjudication Decision, he is free to pursue his rights through any other means. If the Complainant accepts the Adjudication Decision:

- (a) the Member shall comply with the Adjudication Decision within 14 days from the date the Member is informed of the Complainant's acceptance of the Adjudication Decision. Failing which, FMOS may inform the Authority; and
- (b) the Complainant must undertake to provide the Member with a binding release of the Member's liability in respect of matters resolved by the Adjudication Decision and such release shall be effective from the date on which the Member fulfills all its obligations under the Adjudication Decision.

11.25. The amount awarded under Rule 11.22(a), (b), (d), (e) and (f), if accepted by the Complainant, can be recovered or enforced against the Member in court as a debt.

11.26. An Adjudication Decision shall be stayed where the Authority has directed FMOS to stay the requirement for compliance of the Adjudication Decision pursuant to its powers under the Regulations.

- 11.27. FMOS may, where it deems necessary, clarify the terms of the Recommendation or the Adjudication Decision or correct any clerical, typographical or computational error or any other error of a similar nature in such decision.
- 11.28. An Ombudsman shall notify the Board in writing and immediately vacate his office if he:
- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (b) becomes of unsound mind;
 - (c) resigns his office; or
 - (d) conducts himself in a manner that is inconsistent with the express and/or implied terms of engagement or the Constitution;
- 11.29. A failure by an Ombudsman to give effect to Rule 11.28 shall not affect the validity or enforceability of any decision made by such Ombudsman in relation to a dispute.
- 11.30. No Ombudsman shall be an employee of, nor hold any office of profit under a Member or a Board Member, nor shall he personally or by his firm act in a professional capacity for FMOS.
- 11.31. In addition to the procedures outlined in these Rules, FMOS reserves the discretion to establish or implement supplementary procedures it deems necessary for the efficient and fair resolution of a dispute, provided that such procedures will not be prejudicial to the rights of either the Complainant or Member.

Rule 12

12. Participant in a dispute resolution process and no legal representation

- 12.1. Only the Complainant and Member are permitted to appear in the dispute resolution process. However, the Case Manager or Ombudsman may allow any other person to attend a Dispute Resolution Process subject to the execution of a Confidentiality Agreement as prescribed by FMOS.
- 12.2. Nothing herein shall be construed to permit a Complainant or a Member to be represented by a legal counsel or any other person in a similar capacity during any meetings or hearing. Nothing herein shall be construed to restrict the Parties' right to seek legal advice outside of FMOS.

Rule 13

13. Language of Dispute Resolution Process and use of interpreter or translator

- 13.1. The Dispute Resolution Process shall be conducted in either English or Bahasa Malaysia.
- 13.2. The Complainant may be assisted by any person who can act as his interpreter or translator. For the avoidance of doubt, such person need not be a formally qualified interpreter or translator.
- 13.3. Subject to Rule 12.1, the participation of an interpreter or translator in the proceedings must be approved by the assigned Case Manager or Ombudsman.
- 13.4. Notwithstanding Rule 13.1, the Case Manager or Ombudsman may if it deems fit, either conduct the Dispute Resolution Process in the language concerned or seek the assistance of FMOS' available resources to act as an interpreter or translator to facilitate effective communication with the Party concerned.

Rule 14

14. Amendments to particulars of claim in dispute filed

- 14.1. Subject to FMOS' approval, a Complainant may amend the particulars of a claim in a dispute. To amend a claim, the Complainant must complete and file the amendment as may be prescribed by FMOS containing adequate details of the amendments made and reasons for such amendments.

Rule 15

15. Termination of dispute resolution process

- 15.1. The Dispute Resolution Process terminates when:
 - (a) the Complainant withdraws from the Dispute Resolution Process;
 - (b) the dispute is terminated under Rule 11.6(b) on a Complainant's failure to comply with FMOS' request;
 - (c) the dispute is excluded under Rule 5;
 - (d) the dispute is dismissed under Rule 7;
 - (e) there is a direction by the Authorities for FMOS not to proceed with the Dispute Resolution Process pursuant to Rule 5.1(m);
 - (f) the dispute is resolved amicably by the Parties during Case Management;

- (g) the Parties accept the Recommendation of the Case Manager and enter into a settlement agreement;
- (h) the Complainant fails to refer the dispute to Adjudication within 30 days from the date of notice of Recommendation;
- (i) the Parties accept the preliminary assessment of the dispute by the Ombudsman before Adjudication and enter into a settlement agreement;
- (j) the Complainant accepts the Adjudication Decision;
- (k) the Complainant rejects or is deemed to have rejected the Adjudication Decision;
- (l) the Complainant fails to appear at a conciliation or negotiation or mediation session or an adjudication hearing on the date appointed;
- (m) the Complainant has, at any stage of the Dispute Resolution Process, initiated a legal proceeding against the Member in court or arbitration; or
- (n) the Dispute Resolution Process is terminated on the ground of breach of contravention of confidentiality pursuant to Rule 17.4.

Rule 16

16. Discretion to extend time

- 16.1. Nothing in these Rules shall restrict FMOS' ability and discretion to grant an extension of time (even if the original period, or the period as extended, has ended) to itself or to a Party should FMOS consider it appropriate to do so.

Rule 17

17. Confidentiality

- 17.1. Unless otherwise agreed by the Parties all matters relating to the dispute and the Dispute Resolution Process shall be kept confidential by the Parties and their representatives and witnesses, except where disclosure is necessary for implementation and enforcement of the Recommendation or the Adjudication Decision or, to the extent that disclosure may be required of a Party by a legal duty, to protect or pursue a legal right or to challenge the Adjudication Decision in legal proceedings before a court or other judicial authority.
- 17.2. All communications made in the Dispute Resolution Process, including information disclosed, views expressed, FMOS' decisions and the settlement agreement entered into by the Parties, are strictly confidential and made on a strictly 'without prejudice' basis and shall not be used in any proceedings, legal or otherwise.

- 17.3. All meetings and hearings, whether conducted in person, via audio-visual device or otherwise, will be conducted in strict confidence. No audio-visual or any other form of recording of any proceedings may be made except by FMOS (if deemed necessary by FMOS for its internal use only).
- 17.4. Any breach or contravention of confidentiality, FMOS reserves the right at its full discretion, to terminate the Dispute Resolution Process with immediate effect.

Rule 18

18. Disclosure of information by FMOS to Parties

- 18.1. Subject to section 45(2)(e) of the Personal Data Protection Act 2010, FMOS shall not disclose to any Party, any data, document and information provided by another Party where the Party supplying the information has refused consent to such disclosure.
- 18.2. If a Party does not consent to his data, document and information being disclosed to another Party, FMOS is not entitled to use that information to reach a decision adverse to the Party to whom confidential information is denied unless FMOS determines that special circumstances apply.

Rule 19

19. Expert advice

- 19.1. For purposes of resolving a dispute, FMOS may consult any persons, including but not limited to the relevant associations for the financial industry, consumer associations, Bar Council or relevant ministries or government agencies, as FMOS deems fit.
- 19.2. FMOS may obtain expert advice from but not limited to legal, industry or medical experts or any other experts as FMOS deems fit. In this connection, FMOS may require the Member to pay or contribute to the cost of such expert advice provided that:
- (a) the fees for the expert advice are determined by FMOS to be reasonable, having regard to the complexity of the dispute; and
 - (b) the fees do not deviate significantly from the usual market rate for such expert advice.

Rule 20

20. No legal advice by FMOS

- 20.1. FMOS and its Board, directors, CEO, Ombudsmen, Case Managers, panel of external ombudsmen and external case managers, officers, employees, representatives, contractors, agents, and any other panel or committee established by FMOS, should not be construed at any time whatsoever or in any capacity as having given, offered or

rendered legal advice, whether professional or personal, on any legal position as to the rights of the Complainant or the Member or any representative of the Member.

Rule 21

21. Court or debt recovery proceedings

- 21.1. Where a dispute is made to FMOS that relates to a debt owed to a Member, the Member must not take any action to recover the debt until the dispute resolution process in FMOS is exhausted.
- 21.2. The Member may initiate a legal proceeding where the limitation period for such proceeding will expire shortly. Having initiated such proceeding, the Member shall apply to stay the proceeding until the completion of FMOS' dispute resolution process.
- 21.3. Where a dispute has been referred to FMOS and is subsequently resolved by a settlement agreement by the Parties or based on Recommendation or Adjudication Decision, neither Party shall initiate any legal proceedings that are inconsistent thereof.
- 21.4. A Member shall not initiate defamation proceedings of any kind against a Complainant in respect of the allegations made by the Complainant about the Member in relation to or arising from a dispute that he has referred to FMOS.

Rule 22

22. Immunity

- 22.1. No action, suit, prosecution or other proceedings shall lie or be brought, instituted, or maintained in any court against FMOS and its Board, directors, CEO, Ombudsmen, Case Managers, panel of external ombudsmen and external case managers, officers, employees, representatives, contractors, agents, and any other panel or committee established by FMOS, for or on account of, or in respect of, any act done, or statement made, omitted to be done or made by such persons specified above, in the performance of their functions, or in the exercise of any powers conferred, provided that such act, statement, performance of functions or exercise of power was done or made, in good faith.
- 22.2. Save for intentional wrongdoing, the Parties waive, to the fullest extent permitted under the applicable law, any claim against FMOS and its Board, directors, CEO, Ombudsmen, Case Managers, panel of external ombudsmen and external case managers, officers, employees, representatives, contractors, agents, and any other panel or committee established by FMOS based on any act or omission in connection with the Dispute Resolution Process.
- 22.3. The Complainant and the Member shall be required to acknowledge and agree that any claim or claims made in contravention of this Rule 22 constitutes a loss which cannot be reasonably or adequately compensated in damages. The Complainant and the

Member shall be required to agree that in event of any such claim or breach or contravention, FMOS or its Board, directors, CEO, Ombudsmen, Case Managers, panel of external ombudsmen and external case managers, officers, employees, representatives, contractors, agents, and any other panel or committee established by FMOS shall be entitled to the remedy of injunction in addition to any other remedy available at law or in equity. FMOS or its Board, directors, CEO, Ombudsmen, Case Managers, panel of external ombudsmen and external case managers, officers, employees, representatives, contractors, agents, and any other panel or committee established by FMOS, shall also be entitled to recovery of legal costs on a full indemnity basis from the Complainant or the Member or its representative or such other defaulting parties who have acted in breach of this Rule 22.

Rule 23

23. Witness for a proceeding

23.1. The Parties shall not call FMOS and its Board, directors, CEO, Ombudsmen, Case Managers, panel of external ombudsmen and external case managers, officers, employees, representatives, contractors, agents, and any other panel or committee established by FMOS to provide testimony or as a witness or expert witness in any proceedings related to or arising from any dispute lodged with FMOS.

Rule 24

24. Mode of communication

24.1. All communications may be transmitted by any means of communication that provides or allows for a record of its transmission.

24.2. If an address has been designated by a Party specifically for this purpose, all communications stated in Rule 24.1 shall be delivered to that Party at that address.

24.3. If, after delivery is made in accordance with Rules 24.1 and 24.2, it is deemed to have been received on the day it is delivered.

Rule 25

25. Publication of data

25.1. FMOS may publish data relating to the disputes for research, evaluation or educational purpose. The nature and format of the publication may include a summary of statistics by sectors or nature of cases and any synopsis of individual cases. However, the identities of the disputing parties shall remain anonymous, in compliance with any confidentiality and privacy obligations.

Rule 26

26. Power to notify and disclose information

- 26.1. FMOS shall have the power to require relevant data, information and materials from the Member to enable FMOS to assess any trends, typologies or market misconduct that have arisen from a dispute or disputes and shall notify or submit such information as is within its knowledge relating to any trends, typologies or market misconduct to the Authorities.
- 26.2. FMOS shall have the power to require relevant data, information and materials from the Member to enable FMOS to assess, evaluate and determine, amongst others, the categorisation of the Member under the funding structure of FMOS.
- 26.3. FMOS shall at the Authority's direction furnish such information to any other regulator or body as may be specified by the Authority.

Rule 27

27. Payment by Member

- 27.1. For the purpose of maintaining FMOS' operations, FMOS may, subject to the Board's discretion, collect the following fees from the Members:
 - (a) annual fees payable by the Members and other levies of variable amounts against any one or more of the Members;
 - (b) case fees referred to in Rule 10.4; and
 - (c) any other fees as may be provided in these Rules.
- 27.2. Subject to Rule 27.3, all annual fees and levies shall become due and payable in advance on the first day of January in every year, or such other period as FMOS may determine, provided that the first subscription following the inception of FMOS shall be payable from the date of such resolution.
- 27.3. A new Member shall pay the full amount of the annual fees and any levy, which is prorated at the date of entry, as the case may be, payable in that year upon its admission to membership.
- 27.4. FMOS will serve a notice requesting payment of the amounts referred to in Rule 27.1(a), (b) and (c) above upon the particular Member or Members giving particulars of the fees to be paid.
- 27.5. The fees will be due and payable by each Member one (1) month from the date of the notice requesting it has been served by FMOS or within such other period as FMOS may stipulate in the said notice as FMOS deems fit.

- 27.6. FMOS may refer to the Authority, any Member which fails to pay the fees imposed by FMOS pursuant to Rule 27 within the time period stipulated herein.

Rule 28

28. Transition from Predecessor Scheme

- 28.1. For purposes of the transition from the Predecessor Scheme to FMOS, where a dispute was first registered under the Predecessor Scheme and remains outstanding on 31 December 2024, it will be deemed to have been transferred to FMOS on 1 January 2025. However, FMOS will consider such dispute based on the Terms of Reference of the Predecessor Scheme.
- 28.2. Where a Dispute which was first registered under the Predecessor Scheme has already been resolved before 31 December 2024 and subsequently reopened by FMOS in view of the availability of substantiated new evidence on or after 31 December 2024, such Dispute will be considered based on the terms of reference of the Predecessor Scheme.
- 28.3. These Rules shall apply to disputes referred to FMOS on or after 1 January 2025.

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