Description of Plain Language

Standard GEN. 10-17

made by NAMFISA under subsections 410(3)(k) and 410(2) (bbb) of the Financial Institutions and Markets Act, 2021

DESCRIPTION OF PLAIN LANGUAGE

(1) Citation of Standard

This Standard may be cited as Standard GEN. 10-17.

(2) Interpretation of Standard

This Standard applies:

(a) to all financial institutions and financial intermediaries and to their boards, directors, principal officers, other officers, employees, trustees, custodians and agents, and

(b) in respect of all documents presented to clients of financial institutions and intermediaries.

(3) Compliance Requirements

(1) To comply with this Standard, a document must-

(a) be written for the clients, not for the financial institution or financial intermediary;

(b) be informative as possible;

(c) be written in a manner that clearly conveys the content;

(d) be written to meet NAMFISA's certification requirements on plain language

(e) avoid legal and technical terms or jargon unless these terms are plainly explained; and

(f) not use abbreviations without first defining or explaining the abbreviations.

(2) To ensure that a document satisfies these requirements, an Investing institution all persons to whom this Standard applies must-

(a) ensure that the document complies with sub-clause (1);

(b) include a glossary of terms, if appropriate, where terms unique to a financial service or product are used;

(c) use client questions on documents; and

(d) review and omit unnecessary words, *e.g.*, "due and payable".

(3) In order to satisfy the requirements of this Standard, the following should be used in all documents:

(a) every day, ordinary words;

(b) short sentences and paragraphs;

(c) active voice rather than passive voice, unless necessary to convey a specific message;

(d) the first person;

(e) clear headings and subheadings to guide clients;

(f) a large enough readable font, *i.e.*, 12-point typeface or more;

(g) direct verbs instead of hidden verbs, *e.g.*, “please apply” instead of “please make an application”;

(h) “must” where a client is required to act;

(i) reduced use of abbreviations, and where possible provide full definitions within the context;

(j) avoidance of double negatives and exceptions to exceptions, *e.g.*, “at least” instead of “no fewer than”;

(k) examples, lists, illustrations, and tables; and

(l) highlighting important content by bolding or underlining.

(4) All persons to whom this Standard applies must be satisfied that, after reading the relevant document, a client:

(a) has understood the content, by so acknowledging in writing without duress;
(b) is making an informed decision; and
(c) understands the rights and obligations set out in the document.