



# FIMM: Use plain English for prospectuses' disclosure

by **MOKHRIZ MOKHTAR**

**THE** Federation of Investment Managers Malaysia (FIMM) is encouraging the use of plain English in all unit trust prospectuses in order for the public to have a clear understanding of the disclosed information.

In line with this aim, FIMM has issued guidance on good drafting practices for prospectuses for the information to be presented in a clear, concise and effective manner.

Its CEO Nazaruddin Othman said FIMM has been working with Securities Commission Malaysia (SC) and key representatives of the investment

management industry to come out with the guidance to improve the quality of information disclosed in the prospectuses of unit trust schemes.

The guidance will serve as a reference for unit trust management companies to use simple language and adopt effective practices when drafting prospectuses and other disclosure documents which covers the use of common everyday words, instead of legal, financial and technical jargon.

Nazaruddin added the guidance will also benefit the public to gain better understanding on unit trust

funds being offered.

"Using plain and simple language in the documents will enable unit trust management companies to clearly communicate the desired messages to investors more easily and in a friendlier manner.

"The use of clear, concise and effective disclosures will enhance the quality of information in prospectuses. This move echoes the SC's thrust towards the empowerment of investors to make informed investment decisions," said Nazaruddin in a statement.

The guidance is also available on FIMM's website.



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