

PARTICIPANT NAME

NAME OF COMPANY / ORGANIZATION

EMAIL ADDRESS

SCOPE AND APPLICATION

The Draft Subcode forms part of the broader regulatory framework established under the Communications and Multimedia Act 1998 (“**CMA**”) and the Consumer Protection Act 1999 (“**CPA**”).

The Draft Subcode is introduced to address key issues and consumer concerns relating to the termination of Services, including difficulties faced by Subscribers in exercising termination rights, lack of clarity in termination processes, delay in processing or effecting termination, and uncertainty regarding charges and consequences of termination.

The Draft Subcode sets out the requirements governing the termination of Services, including termination processes, notice requirements, applicable charges, the termination of bundled Services, and the management of accounts of deceased Subscribers.

The Draft Subcode is intended to safeguard consumer rights by establishing clear processes and obligations for Code Subjects in relation to the Termination of Services. It seeks to ensure that Subscribers are able to exercise their termination rights without unreasonable delay, inconvenience or cost, and are adequately informed of the implications of Termination and related account management processes.

In implementing the Draft Subcode, Code Subjects shall have regard to the principles of transparency, fairness, consistency and consumer protection, while taking into account legitimate operational, verification and fraud prevention requirements.

FEEDBACK ON THE SCOPE AND APPLICATION SECTION:

Definition**Authorised Estate Representative**

means

- (a) *the executor or administrator of the deceased Subscriber's estate; or*
- (b) *a next-of-kin or other person who is able to demonstrate authority to act on behalf of the deceased Subscriber.*

Bundled Services

means two (2) or more Services offered or supplied by a Code Subject to a Subscriber as a single bundle or package, whether under one contract or multiple related contracts.

CMA

means the Communications and Multimedia Act 1998.

Code

means the General Consumer Code of Practice for the Communications and Multimedia Industry Malaysia, being the voluntary industry code prepared under Chapter 1 of Part VIII of the CMA.

Code Subject

means persons that are subject to the Code as specified in subclause 1.3.1 of the Code.

Early Termination Charge

means any charges imposed by a Code Subject on a Subscriber as a result of the Subscriber terminating the service agreement before the expiry of the applicable contract period and/ or minimum commitment period, however described by the Code Subject.

For the avoidance of doubt, any term used by a Code Subject to denote a minimum period of service, tenure, subscription, or lock-in shall be treated as a minimum commitment period for the purposes of this Subcode.

Fraud

means accessing or using a Service (or attempting to do so) with the intent to (a) deceive a Code Subject or any other person; (b) not pay for the relevant Service; (c) secure

unlawful gain or advantage; or (d) otherwise behave fraudulently, dishonestly and/or in bad faith.

Product

means a physical item that is provided, or caused to be provided by a Code Subject as an integral part of a Service.

Service

means a network service, applications service or content applications service as defined under the CMA including public cellular service and broadband access service and where relevant, also includes a Product, which is provided by a Code Subject.

Subscriber

means a Consumer who entered into a contract with a Code Subject in respect of a Service.

Termination

means the ending of a Subscriber's service agreement with a Code Subject, either:

- (a) at the Subscriber's initiative, through a Valid Termination Request;*
- (b) by the Code Subject in accordance with the terms of the Subscriber's contract, applicable laws, or this Subcode; or*
- (c) by an Authorised Estate Representative on behalf of a deceased Subscriber, in accordance with the processes set out in this Subcode.*

Valid Termination Request

means a Termination request when:

- (a) the applicable identity verification requirements have been duly completed; and*
- (b) the Code Subject has received all information reasonably required to process the request.*

Working Day

means a day on which commercial banks are open for business in the state where the relevant Code Subject is located.

FEEDBACK ON THE DEFINITION SECTION:

1. GENERAL

1.1 Right of Termination

- 1.1.1. A Subscriber shall have the right to terminate a Service in accordance with the terms of the Subscriber's contract, subject to the CMA, the Code, and this Subcode.
- 1.1.2. A Code Subject shall ensure that the Termination process does not:
 - (a) cause unreasonable inconvenience to the Subscriber;
 - (b) involve unreasonable delay; or
 - (c) require the Subscriber to incur costs payable to the Code Subject in order to effect the Termination, other than incidental costs reasonably and properly incurred in effecting Termination.
- 1.1.3. A Code Subject may terminate a Service provided to a Subscriber only where such Termination is:
 - (a) expressly permitted under the Subscriber's contract, or otherwise required or permitted under the applicable laws, regulatory requirements, lawful directions of a competent authority or necessary to prevent harm to the network or other Subscribers;
 - (b) consistent with the CMA, the Code, and applicable laws; and
 - (c) carried out in a fair and transparent manner.
- 1.1.4. Where a Code Subject terminates a Service, it shall:
 - (a) provide reasonable prior notice to the Subscriber, unless Termination is required urgently for security, fraud prevention, network integrity, or regulatory compliance;
 - (b) clearly state the reasons for Termination. Where disclosure of detailed reasons would compromise security, ongoing investigations, fraud prevention efforts, confidentiality obligations, or compliance with law or regulatory requirements, the Code Subject shall provide a generalised or anonymised reason; and
 - (c) inform the Subscriber of any available remedies or options, including complaint or dispute resolution mechanisms.
- 1.1.5. A Code Subject shall not engage in any conduct or impose any process that has the effect of delaying, discouraging, or obstructing a Subscriber from exercising their right to Termination of a Service.

1.2 Methods of Submitting Termination Requests

- 1.2.1. A Code Subject shall ensure that Subscribers are able to submit Termination requests through two or more reasonable and accessible channels, having regard to the nature of the Service, verification requirements, and fraud prevention considerations. Such channels may include
- (a) written methods, including but not limited to:
 - (i) email;
 - (ii) online forms or portals, including mobile applications or website;
 - (iii) postal mail; and/ or
 - (b) non-written methods, including but not limited to walk-in submission at authorised service centres.
- 1.2.2. A Code Subject shall clearly publish the available Termination channels and any applicable requirements.
- 1.2.3. The Code Subject shall ensure that Subscribers who initiate a Termination through a channel other than a designated Termination channel published under Clause 1.2.2 are promptly directed or assisted, without unreasonable delay or obstruction, to complete the Termination through the designated channels.
- 1.2.4. Where a Subscriber approaches a dealer or sales agent of the Code Subject regarding Termination, the Code Subject shall ensure that dealer or sales agent of the Code Subject provide clear guidance without unreasonable delay or obstruction on the authorised Termination channels, but shall not be required to process Termination requests unless expressly authorised by the Code Subject.

1.3 Acknowledgement and Handling of Termination Requests

- 1.3.1. A Code Subject shall process a Valid Termination Request without unreasonable delay and in accordance with the applicable Termination timing under Clause 3.
- 1.3.2. Where immediate Termination upon receipt of a Valid Termination Request is not feasible, a Code Subject shall promptly acknowledge receipt of the Valid Termination Request or provide a confirmation reference, transaction number, or equivalent record.
- 1.3.3. Where a Valid Termination Request has been received, a Code Subject shall ensure that Termination is implemented in accordance with the

applicable timing requirements under Clause 3, and shall not delay or defer such implementation except where reasonably required for:

- (a) Identity verification;
- (b) Fraud prevention; or
- (c) System or operational limitations which cannot reasonably be avoided,

provided that the Subscriber is informed of the reasons and the expected completion timeframe.

1.3.4. A Code Subject may complete any backend, billing, or administrative processes after Termination has taken effect, provided that such processes do not result in:

- (a) Continued access to the Service beyond the Termination date; and
- (b) The accrual of charges beyond the Termination date

1.4 Charges and Consequences of Termination

1.4.1. Where a Subscriber requests to terminate their contract, the Code Subject shall clearly explain, in a manner consistent with the information disclosed pursuant to the Code, where applicable:

- (a) the consequences of Termination including potential Early Termination Charges;
- (b) the basis of calculation of Early Termination Charges (if any);
- (c) loss of access; and
- (d) changes to rights of use of the Services, where applicable

1.4.2. Termination shall not be delayed solely due to disputes over billing, without prejudice to the Code Subject's right to recover outstanding sums in accordance with law.

<u>FEEDBACK ON THE GENERAL SECTION:</u>
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2. EARLY TERMINATION CHARGES

2.1 Permissibility of Early Termination Charges

- 2.1.1 A Code Subject may impose an Early Termination Charge where a Subscriber terminates a Service before the expiry of a minimum commitment period, provided that such charge is:
- (a) expressly provided for in the Subscriber's contract; and
 - (b) calculated in a manner that is fair, reasonable and transparent.
- 2.1.2 An Early Termination Charge shall be reasonably proportionate, having regard to:
- (a) the value of any subsidy, discount or benefit provided to the Subscriber; and
 - (b) the remaining unexpired portion of the minimum commitment period.
- 2.1.3 An Early Termination Charge shall not exceed the charges payable for the remainder of the minimum commitment period.
- 2.1.4 In determining the amount of any Early Termination Charge, a Code Subject shall not include costs that will no longer be incurred upon Termination of the Service. This includes, without limitation, costs associated with service provision, network usage, or support services that cease upon Termination.

2.2 Early Termination Charges prohibited in certain circumstances

- 2.2.1 A Code Subject shall not impose an Early Termination Charge where Termination arises due to:
- (a) a unilateral material variation to the contract by the Code Subject which will result in an increase in Charges, or have a substantial and adverse impact on a Service;
 - (b) discontinuation, withdrawal or material degradation of a Service by the Code Subject, unless the Code Subject offers an equivalent alternative Service, without imposing any new minimum commitment period or additional charges, except where such discontinuation is caused by the Subscriber's breach of contract, or misuse of the Service; or
 - (c) other circumstances prescribed under the Code or applicable laws.

Illustration 1

A's contract is varied unilaterally by Code Subject, increasing his monthly fee by \$20 and substantially affecting his Service. A terminates the contract immediately after the variation. No Early Termination Charge is payable because Termination arose due to a unilateral material variation.

Illustration 2

B fails to pay his monthly subscription fees for three consecutive months. The Code Subject discontinues his Service as a result. In this case, an Early Termination

Charge may be imposed because the Termination arose due to B's breach of contract.

2.3 Transparency and Disclosure

2.3.1 Prior to entering any contract with a Subscriber for a minimum commitment period, the Code Subject shall provide a reasonable explanation of Early Termination Charges that would be imposed in the event of early Termination by the Subscriber.

2.3.2 Upon request by a Subscriber at any time, a Code Subject shall provide a reasonable explanation of the Early Termination Charge.

<u>FEEDBACK ON THE EARLY TERMINATION CHARGES SECTION:</u>
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3. NOTICE

3.1 Notice Requirements

3.1.1. A Code Subject may require a Subscriber to provide prior notice of Termination, provided that:

- (a) the notice period is clearly disclosed upfront and specified in the Subscriber's contract; and
- (b) the Subscriber is not required to give more than thirty (30) days' notice, unless otherwise permitted under the Code or applicable law.

3.1.2. The notice of Termination shall be deemed to have been given when the Subscriber submits a Valid Termination Request through designated channels published under Clause 1.2.

3.1.3. Termination shall take effect:

- (a) Where a notice period is specified in the Subscriber's contract, upon expiry of the applicable notice period; or
- (b) Where no notice period is specified, no later than seventy-two (72) hours during Working Days from receipt of a Valid Termination Request.

3.1.4. A Code Subject shall not impose any charges on the Subscriber beyond the Termination date determined under Clause 3.1.3, except for:

- (a) charges accrued prior to the Termination date; and
- (b) any applicable Early Termination Charge in accordance with Clause 2.

3.1.5. Where a contract continues automatically after the expiry of a minimum commitment period, such continuation shall not, of itself, limit or restrict the Subscriber's Termination rights under Clause 3.1.

3.1.6. Nothing in this section prevents a Code Subject from allowing immediate Termination or a shorter notice period in circumstances including but not limited to Service discontinuation or material Service failure.

FEEDBACK ON THE NOTICE SECTION:

4. DECEASED ACCOUNT TERMINATION

4.1 Application

4.1.1 This section applies where a Subscriber is deceased and a request is made to terminate the Subscriber's account or to take other steps incidental to such Termination, in accordance with this Subcode.

4.2 Provision of Information

4.2.1 A Code Subject shall make publicly available clear and plain-language information on:

- (a) how to notify the Code Subject of a Subscriber's death;
- (b) required documentation; and
- (c) available support channels.

4.3 Notification of Death

4.3.1 A Code Subject shall accept notification of a Subscriber's death from an Authorised Estate Representative.

4.3.2 A Code Subject shall implement clear, proportionate, and risk-based processes to confirm, to the extent reasonably practicable:

- (a) the death of the Subscriber; and

(b) the authority of the Authorised Estate Representative.

For avoidance of doubt, such processes shall be designed to help prevent fraud or misuse, while seeking to avoid unnecessary hardship to Authorised Estate Representatives.

4.3.3 Subject to the Code Subject's requirements, such verification may include one or more of the following documents:

- (a) a death certificate or other official confirmation of death;
- (b) proof of relationship to the deceased Subscriber;
- (c) letters of administration, grant of probate, or other estate documentation; or
- (d) any other documentation reasonably necessary to prevent fraud or misuse.

4.3.4 Verification may be conducted in person or through other reasonable channels determined by the Code Subject.

4.3.5 A Code Subject shall ensure that the processes under this section do not impose unnecessary hardship on the Authorised Estate Representative.

4.3.6 Nothing in this section prevents a Code Subject from declining or deferring a request where there are reasonable grounds to suspect fraud or misuse, provided that the reasons are documented and, where appropriate, communicated to the Authorised Estate Representative.

4.3.7 A Code Subject shall not be liable for losses arising from fraud where the Code Subject has applied its verification processes with reasonable care and in good faith.

4.4 Handling of Deceased Account

4.4.1 Upon successful verification, a Code Subject shall clearly inform the Authorised Estate Representative of:

- (a) The available options in relation to the deceased Subscriber's account, including Termination, closure, or alternative arrangements offered by the Code Subject (including account transfer, where applicable);
- (b) any applicable charges or outstanding amounts; and
- (c) the steps and timelines involved for processing the request.

4.4.2 Subject to Clause 4.4.3, the processing referred to in Clause 4.4.2 shall be completed not later than seventy-two (72) hours during Working Days from the receipt of complete documentation as published by the Code Subject

pursuant to Clause 4.2.1 and successful verification of the death of the Subscriber and authority of the Authorized Estate Representative.

4.4.3 For the purposes of Clause 4.4.2, a request shall be regarded as implemented when:

- (a) the relevant Service is ceased, transferred, or otherwise dealt with in accordance with the request; and
- (b) no further recurring or usage-based charges accrue in respect of the Service, where applicable

regardless of whether any backend, billing, or administrative processes, including the issuance of a final bill, remain ongoing.

4.4.4 Where a longer period is reasonably required due to:

- (a) verification of death or authority;
- (b) fraud prevention or misuse concerns; or
- (c) system or inter-account dependencies,

the Code Subject shall:

- (a) inform the Authorised Estate Representative of the reasons for the delay; and
- (b) provide the expected completion timeframe.

4.4.5 Clause 3 shall not apply to requests made under this Section.

4.5 Charges, Penalties and Waivers

4.5.1 A Code Subject shall not impose penalties that are unreasonable or punitive in circumstances involving the death of a Subscriber.

4.5.2 A Code Subject shall consider requests for waiver of charges imposed by the Code Subject, refund of deposits or waiver of Early Termination Charges arising from the death of a Subscriber in a fair and reasonable manner.

4.5.3 Any waiver of charges imposed by the Code Subject, refund of deposits or waiver of Early Termination Charges shall be:

- (a) subject to the Code Subject's policies; and
- (b) applied on a case-by-case goodwill basis, taking into account the circumstances of the case, including the timing of the death, the nature of the Service, the timing of notification by the Authorised Estate Representative and any outstanding contractual obligations.

- 4.5.4 Where a waiver request is declined, the Code Subject shall provide a brief explanation to the Authorised Estate Representative upon request, subject to the Code Subject's internal confidentiality policies and need not include commercially sensitive information.

FEEDBACK ON THE DECEASED ACCOUNT TERMINATION SECTION:

5. BUNDLE SERVICE TERMINATION

5.1 Rights of Termination

5.1.1 Where a Code Subject offers Bundle Services, the Subscriber's rights of Termination shall not be unreasonably restricted solely by reason of the bundling.

5.1.2 Subject to Clause 5.2, where a Subscriber exercises a right under this Subcode, the Code, or applicable law to terminate any individual Service within Bundled Services, the Code Subject shall:

- (a) permit Termination of the affected Service; or
- (b) where Termination of the affected Service or partial Termination is not technically feasible, offer the Subscriber a reasonable alternative in accordance with Clause 5.2.

5.2 Where Partial Termination Is Not Supported

5.2.1 Where partial Termination is not technically supported, the Code Subject shall:

- (a) clearly disclose this limitation at the point of sale; and
- (b) upon a valid request for Termination of any Service within the bundle, offer the Subscriber one (1) or more of the following options, on terms that do not place the Subscriber in a worse position than if the affected Service were offered and terminated on a standalone basis:
 - (i) Termination of the entire Bundled Services, subject only to Early Termination Charges that would have been applicable had the affected Service been terminated on a standalone basis, and without the imposition of any additional penalties arising solely from the bundling structure or system limitations; or

- (ii) migration to an equivalent standalone Service or alternative bundle, where available, without resetting the minimum contract period unless expressly agreed by the Subscriber.

5.3 Effect of Bundle Service Termination

5.3.1 Where Termination of one Service within a Bundled Services results in changes to pricing or Service structure:

- (a) any remaining Service shall not be charged at a rate higher than the aggregate fee paid for the Bundled Services prior to Termination; (and
- (b) the original contract duration for the remaining Service(s) shall not be extended or reset solely due to the Termination or modification of the Bundled Services.

FEEDBACK ON THE BUNDLE SERVICE TERMINATION SECTION:

