



10 YEARS OF BRINGING SMART POLICIES TO LIFE

ALLIANCE FOR FINANCIAL INCLUSION (AFI)

POLICY AND REGULATORY CHANGES IN THE AFI NETWORK

May 2018



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POLICY AND REGULATORY REFORMS IN THE AFI NETWORK IN 2017



Introduction

The Alliance for Financial Inclusion (AFI) is an innovative, member-driven organization that enables policymakers in developing countries to share their knowledge of financial inclusion policies that have delivered tangible results. The network currently comprises of 104 central banks, government ministries and other financial policymaking institutions from 91 emerging market & developing countries. AFI works by providing members with the opportunity for peer learning and supporting technical knowledge exchange on key aspects of financial inclusion policy to influence policy reforms. AFI members' collective will to advance financial inclusion is captured by the Maya Declaration, an international framework of bottom-up and country-led financial inclusion commitments and initiatives. Innovative financial inclusion policies create an enabling environment for the development of appropriate financial products and services that expand the reach of quality financial services to the poor.

This report presents the policy and regulatory changes that members of the AFI network developed and effected in 2017. These reforms were put in place in 2017 but are the results of preparatory work going back many years. While these policy reforms are often led by the main financial policymaker or regulator in AFI member countries, a variety of stakeholders, both national and international, in the public and private sector contribute to the process.

These policy reforms were primarily collected via a survey sent to all AFI members in January 2018. Additional information was collected through reported Maya Declaration progress reports, Working Group Meeting minutes, Grant Reports from AFI members and information provided by members in the online AFI Member Zone Platform.

Overview of Policy and Regulatory Changes

Members of the AFI network reported making 118 policy and regulatory reforms in 2017 to enhance financial inclusion in their countries, up from 56 reforms reported in 2016.

While this is a big leap from the previous year, the increase is consistent with the trend of exponential growth over the last 10 years. The big growth in reported reforms is also consistent with AFI's Theory of Change which factors in the time lag of the policy cycle. A lot of time and effort is required to move the policy cycle from agenda setting, through to policy formulation, adoption and finally implementation of policy. This increase is the result of 10 years of dedicated agenda-setting, knowledge sharing and capacity building within the AFI Network.

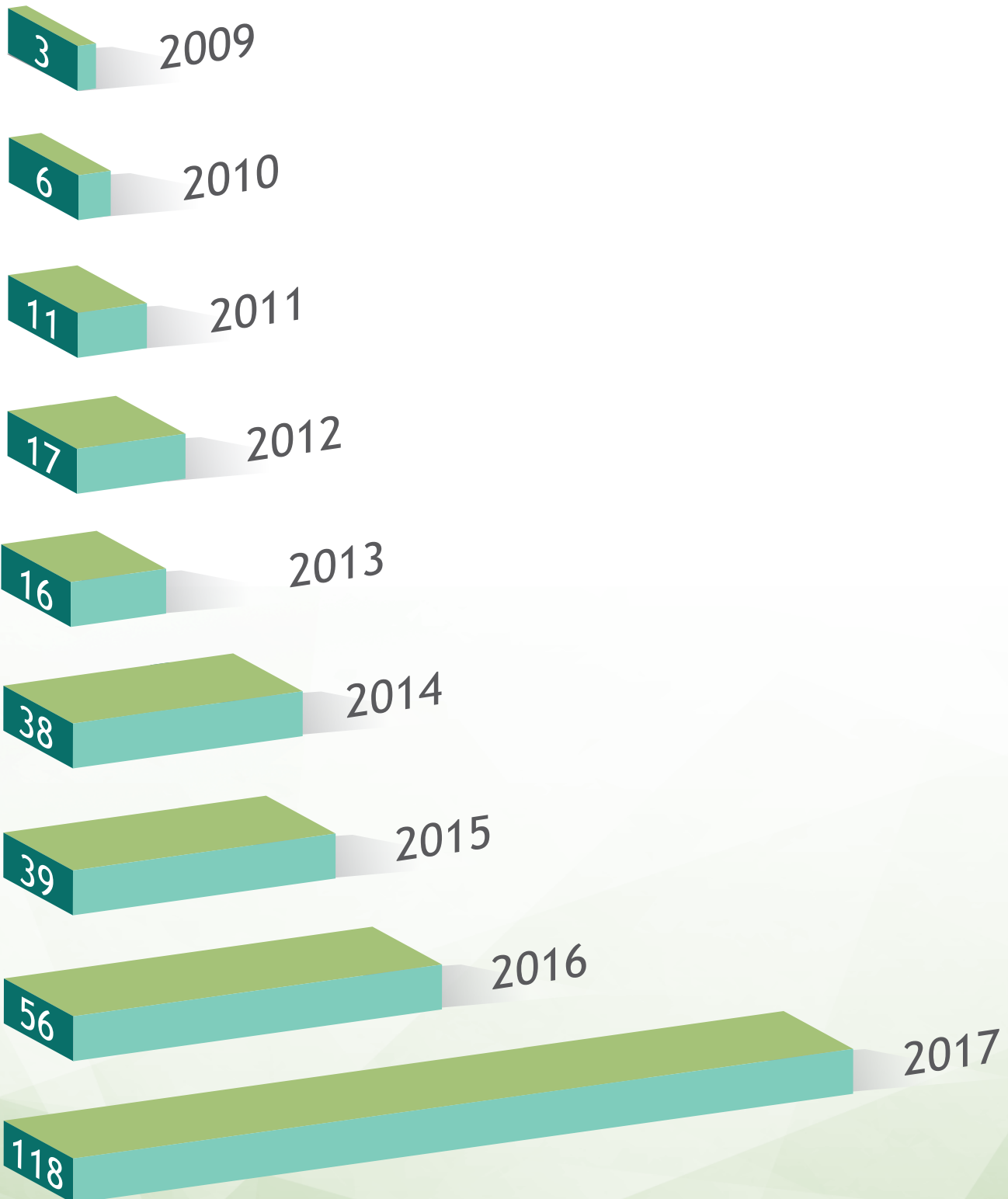
The increase is also a reflection of greater willingness by AFI members to share their knowledge with their peers. An indication of increased confidence by members in the quality of their financial inclusion policies, and a sign and result of higher levels of engagement and ownership of the network. The increase in reported reforms is also because AFI has matured as an organisation and has in place more efficient and effective systems for documenting and disseminating knowledge.

This brings the total number of reported policy reforms in the AFI network to 384. This is a big body of financial inclusion policy and regulatory solutions and indicates that the organisation has matured enough to assume the role of a Policy Leadership Alliance.

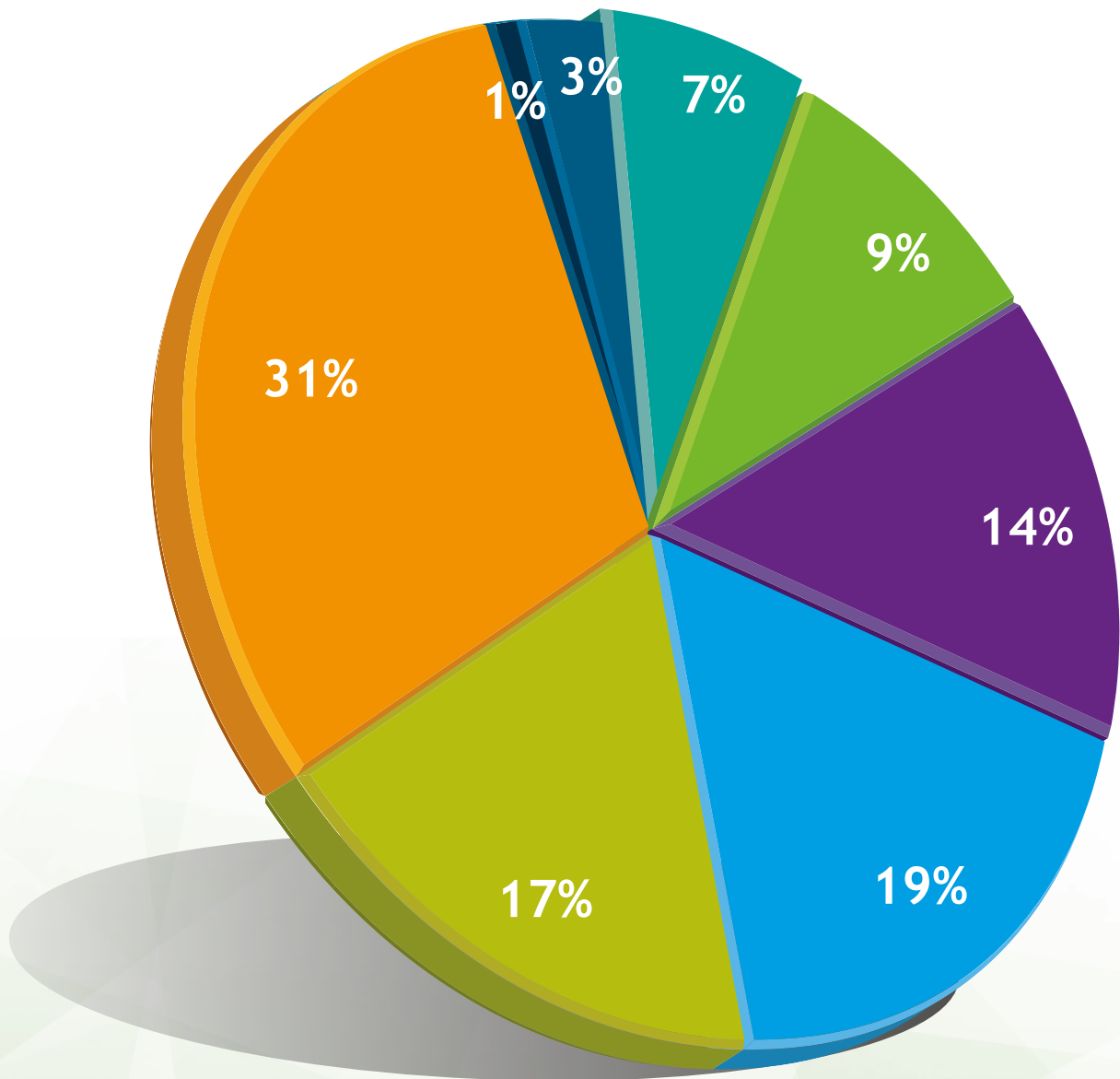
About half (47%) of the policy reforms came from Sub-Saharan Africa, with a total of 56 policy changes, up from 28 reforms in 2016, most of them in Digital Financial Services. However, the biggest increase in reforms was in East & South-East Asia, with 22 reforms reported in 2017 compared to 6 in 2016. Middle-East and North Africa also saw a big increase, from no reforms reported in 2016 to 7 financial inclusion reforms in 2017, driven to a large part by National Financial Inclusion Strategies that were launched in Palestine, Morocco and Jordan. The Latin America and Caribbean region and the Pacific region saw no increase in policy reforms from the previous year, reporting 7 and 6 reforms respectively.

Thematically, the largest proportion of reforms were in Digital Financial Services (DFS), with 37 reforms, forming 31% of all reported policy changes. This was a big increase from the previous year where only 10 DFS reforms were reported. The other thematic areas with high numbers of reforms were in National Financial Inclusion Strategies (19%) and in Consumer Empowerment and Market Conduct (17%). Some reforms naturally cover more than one thematic area, for instance, several policy changes on Financial Literacy were targeted at Micro, Small and Medium-sized enterprises (MSMEs). There were a few reforms in new topic areas such as Fintech, Women's Financial Inclusion, Islamic Banking and financial inclusion for Forcibly Displaced Persons (FDPs).

POLICY AND REGULATORY CHANGES BY AFI MEMBERS



REPORTED POLICY CHANGES BY THEMATIC AREAS IN 2017



DFS
Digital Financial Services



SMEF
SME Finance



Others



CEMC
Consumer Empowerment &
Market Conduct



GSP
Global Standards &
Proportionality



Gender



FIS
Financial Inclusion Strategy

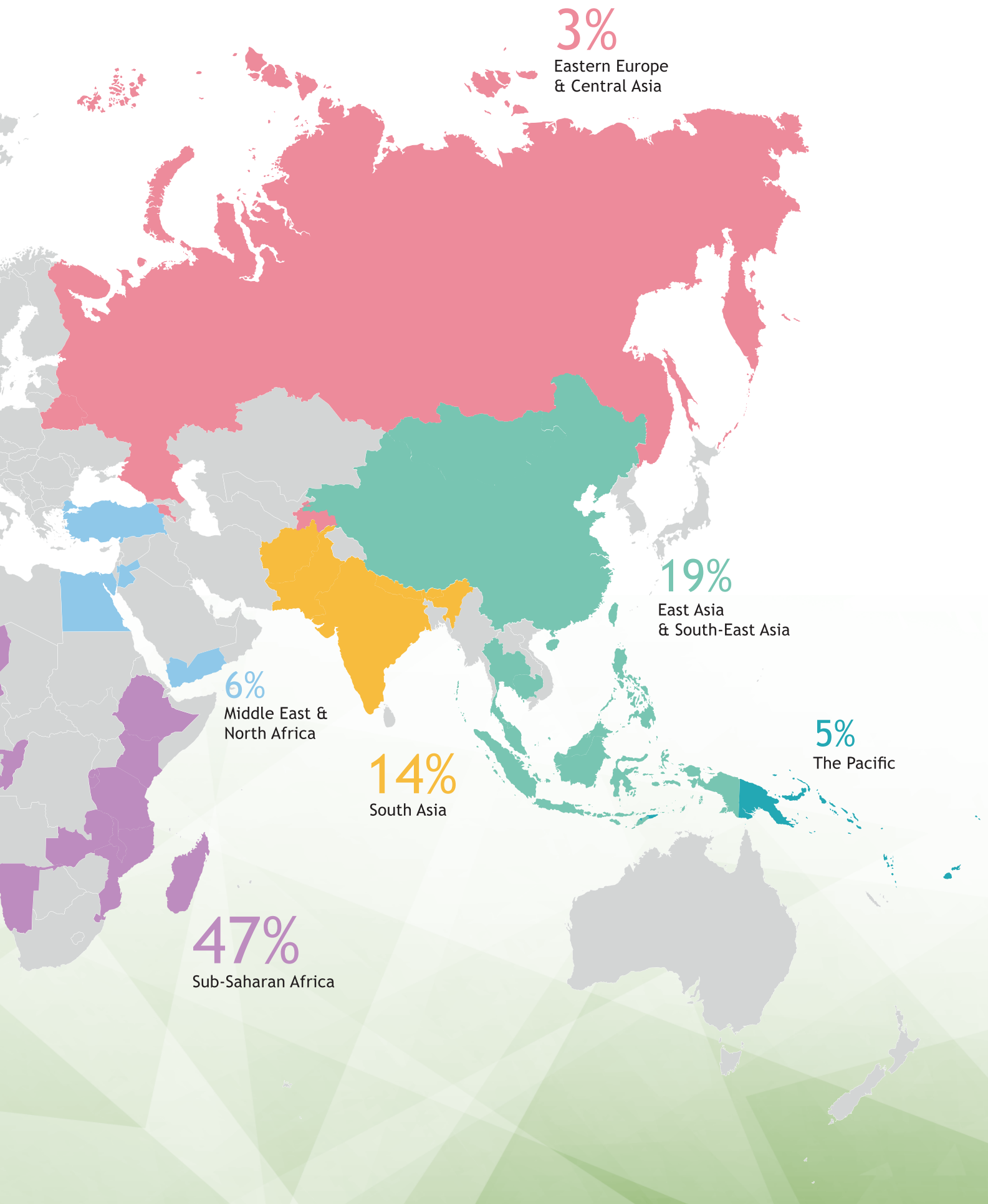


FID
Financial Inclusion Data

REPORTED POLICY CHANGES IN 2017 BY REGIONS



6%
Latin America &
the Caribbean



TRENDS IN REPORTED POLICY AND REGULATORY REFORMS



1 National Financial Inclusion Strategies



22 countries reported either developing, reforming or launching national financial inclusion strategies (FIS) in 2017, up from 12 reported in 2016. The number of AFI members that report having or developing a Financial Inclusion strategy now stands at 65. Those that reported that they are developing strategies include Bangladesh, Mongolia and Morocco while Bhutan, Uganda and Zambia developed and launched their strategies. Nigeria and Tanzania reported reviewing completed strategies and launching new phases.

Gender and Women's Financial Inclusion is an emerging theme in financial inclusion strategies, with Cambodia, Palestine, Morocco and Jordan and BCEAO covering the WAEMU countries mentioning that their strategies have incorporated measures to increase financial inclusion for women.

Another emerging theme is Financial Education and Literacy, and Consumer Protection, mentioned by at least half of the countries. Strategies that focus on SME Finance were mentioned by countries including Jordan, Palestine and Swaziland. Fintech is also an emerging topic and was mentioned by Jordan and Ghana.

The National Bank of Cambodia and stakeholders developed the Cambodian Financial Inclusion Strategy (2018-2025). This document provides guidance for achieving the vision of increased financial inclusion in Cambodia. The strategy aims to increase the demand for formal financial services. The target is to increase access and quality of formal financial services, reduce the financial exclusion of women by 50%, and diversify usage of formal financial services from 59% to 70% by 2025.

Highlights

- A lot of strategies focus on consumer protection and financial literacy

22 COUNTRIES
REPORTED DEVELOPING
FIS IN 2017

10 FROM SUB-SAHARAN AFRICA **5** FROM ASIA **4** FROM MENA **2** FROM PACIFIC **1** FROM LAC

- The countries developing and launching as well as revising existing Strategies:



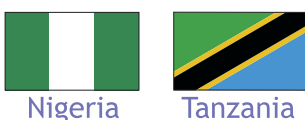
- Countries that include **women** in their NFIS



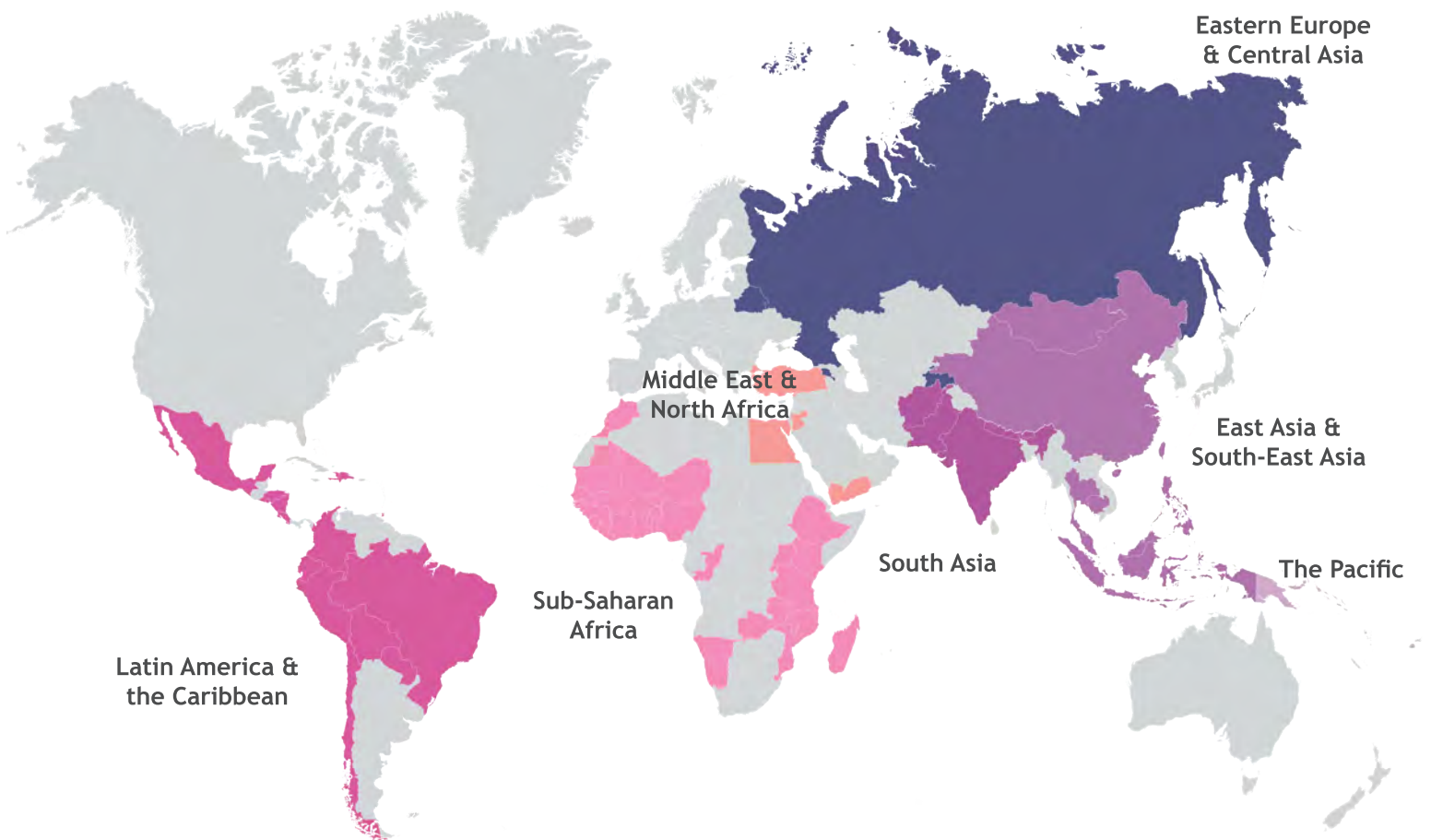
- Countries that mention **Fintech** in their NFIS



- Countries that are **reviewing & relaunching** their strategies



COUNTRIES THAT HAVE OR ARE DEVELOPING FIS IN THE AFI NETWORK



Middle East & North Africa
Egypt, Jordan, Palestine, Turkey, Yemen.

South Asia
Afghanistan, Bhutan, India, Nepal, Pakistan.

The Pacific
Fiji, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Vanuatu.

East Asia & South-East Asia
China, Taiwan, Cambodia, Indonesia, Malaysia, Mongolia, Philippines, Thailand.

Latin America & the Caribbean
Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Haiti, Honduras, Mexico, Nicaragua, Paraguay, Peru, Trinidad and Tobago.

Eastern Europe & Central Asia
Armenia, Belarus, Russia, Tajikistan.

Sub-Saharan Africa
Burundi, Congo, Ethiopia, Ghana, Kenya, Liberia, Madagascar, Malawi, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sierra Leone, Swaziland, Tanzania, Uganda, Zambia, Senegal, Togo, West Africa.



Policy and regulatory reforms in Digital Financial Services (DFS) have been increasing steadily over the years. 2017 saw 37 reforms reported from 23 countries, up from only 10 reforms reported in 2016. Most of the reforms were from Sub-Saharan Africa (20) and Asia (13).

The major trend in DFS was in reforms in National Payment Systems (NPS), to improve the quality and safety of payments as well as reduce cost and transaction times. The reforms seek to facilitate effective and efficient exchanges between the various actors in the financial system and different instruments and channels used (cards, phones, internet etc), and the extension of services to all types of accounts and access points. 12 countries, and BCEAO reported either setting up new or amending existing Payments Laws and acts, or more specific amendments to components such as interoperability rules and guidelines for national switches.

Another trend across the Digital Financial Services reforms was on Electronic-money, specifically, setting up new E-Money laws, as was the case in Egypt, Madagascar and Liberia, or harmonising and revising existing regulations as was the case in Mozambique, Namibia and El Salvador. BCEAO revised their Electronic Money regulations to take into account proportional regulation based on risks and AML/CFT and the Bank of Ghana reviewed Payment System Bill to enhance the use of Financial Technology (Fintech) products.

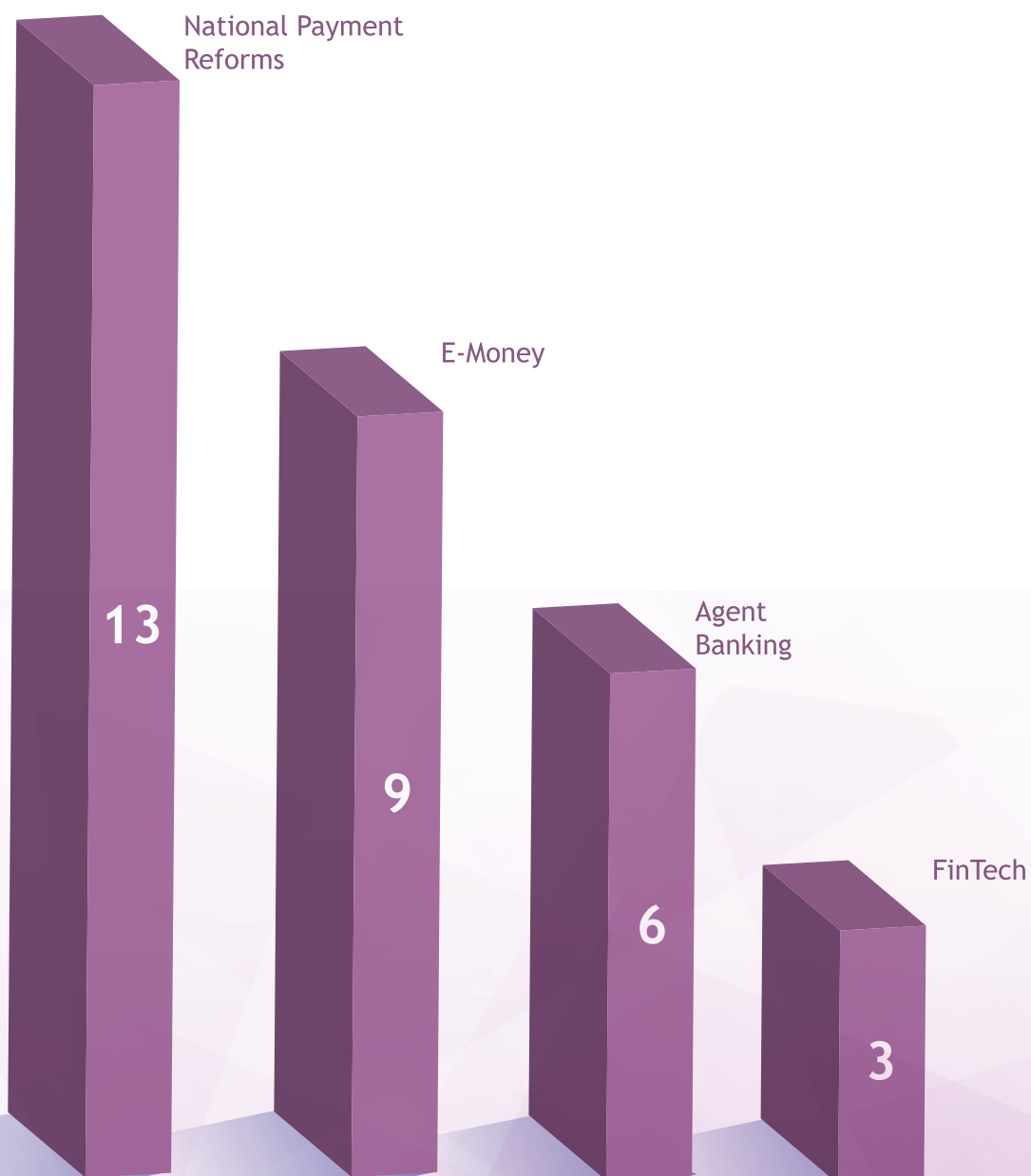
There were also several reforms related to agent banking, in Bhutan and Liberia for instance, Agent Banking rules and regulations were issued, and in Tanzania agent banking guidelines were revised to facilitate the recruitment of agents.

To a lesser extent, there were reforms related to virtual and crypto-currencies in Belarus and the Philippines, indicating an acknowledgement by both countries that virtual currencies are innovative instruments that can increase the speed and lower affordability of remittance and payment transactions.

Latin America reported 2 DFS reforms, one from El Salvador, with a law to ease opening Electronic Money wallets and Simplified Accounts remotely, and Mexico's regulation that allows the operations of electronic money issuers, crowdfunding platforms, cryptocurrencies and sets the rules for a Regulatory Sandbox.

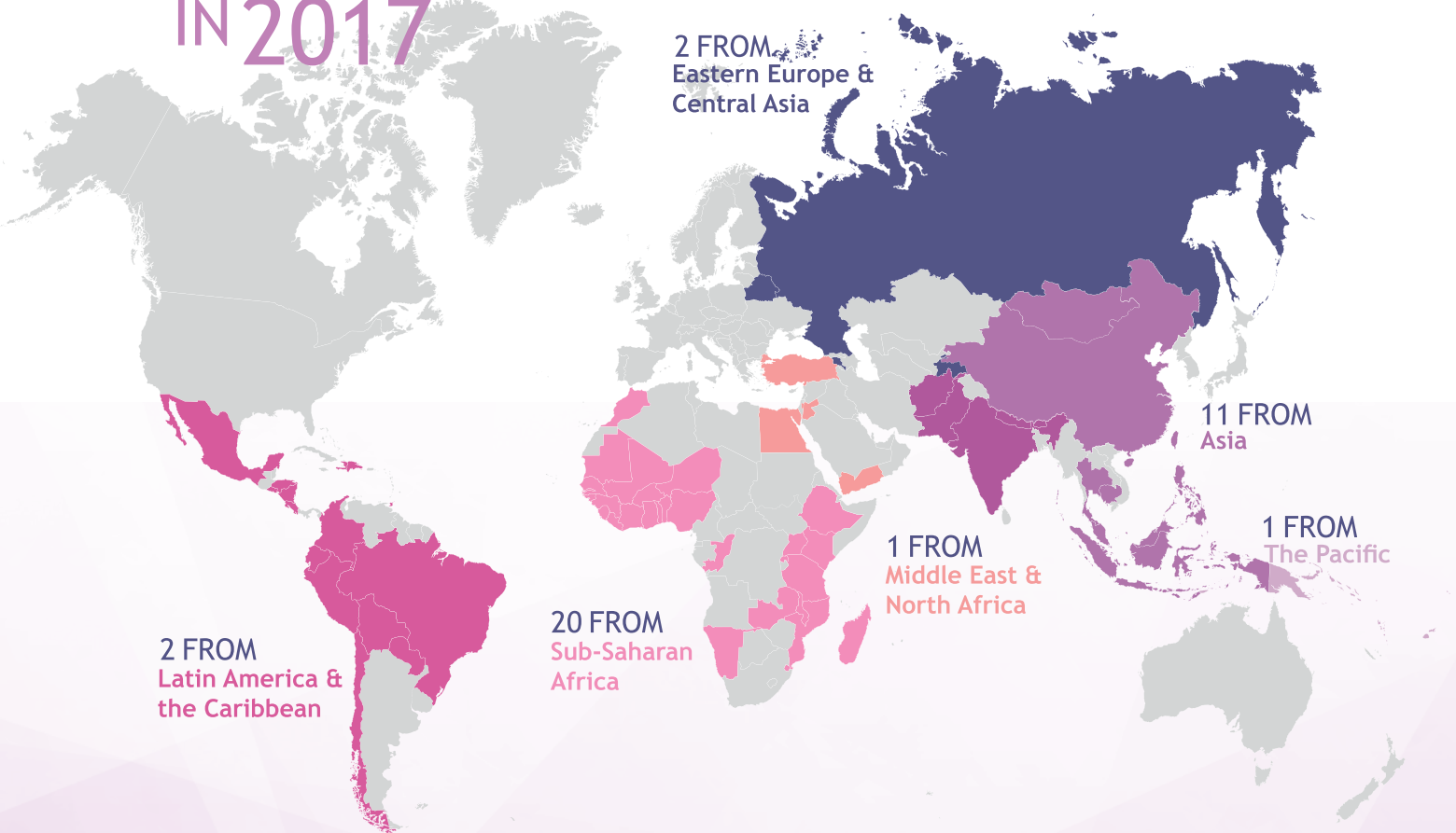
Belarus signed a Decree “On digital economy development” which legalises cryptocurrencies, initial coin offerings and smart contracts. Individuals will be able to store, change, buy, donate, bequeath, mine, and also exchange cryptocurrencies and tokens for fiat currencies.

DFS POLICY REFORMS



37 DFS REFORMS

REPORTED FROM
23 COUNTRIES
IN 2017



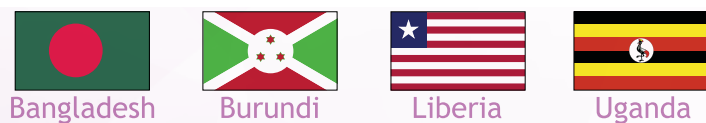
■ Electronic money, agent banking, national payment systems, interoperability, fintech and crypto-currencies are the common themes.



E- Money



Agent Banking, rules, regulations & guidelines



National payment systems



Fintech (enhance products)



Crypto-currencies & virtual currencies



3

Financial Inclusion Data



7 countries reported undertaking activities related to financial inclusion data (FID) and measurement. These mainly involved undertaking supply and/or demand-side surveys. Afghanistan, Mongolia, Senegal and Sudan reported being on various stages of undertaking both supply and demand-side data collection initiatives. As a result, the number of countries in the AFI network that report having undertaken a national demand-side survey within the last 36 months increases to 27.

44 countries made changes to their financial inclusion data measurement policies by incorporating AFI's *Core Set of Financial Inclusion Indicators*. The Core Set Indicators were formulated by AFI's Financial Inclusion Data Working Group. The Core Set measures the most basic and important aspects of financial inclusion, helping policymakers develop appropriate regulations and monitor progress on financial inclusion over time.

As countries increase their focus on gender and women's financial inclusion, we're beginning to see countries focussing on collecting sex-disaggregated data, as reported by Fiji and Mongolia.

The Reserve Bank of Fiji

The Reserve Bank of Fiji developed a policy framework to guide licensed institutions on the collation and reporting of data dis-aggregated by sex. The objective is for Financial service providers to have data that gives them a better understanding of women's financial needs and behaviours and helps them design and offer appropriate financial services products and services that will lead to greater inclusion. This is expected to translate to higher levels of savings and investments by women and resilience to the livelihood shocks.

Highlights

8 FINANCIAL INCLUSION DATA COLLECTION ACTIVITIES IN 7 COUNTRIES IN 2017



Fiji



Kenya



Mongolia



São Tomé e Príncipe



Senegal



Sudan



Afghanistan

■ Focussing on collecting sex-disaggregated data.



Fiji



Mongolia

4

Global Standards and Proportionality



11 reforms were reported in 2017 from 8 countries. 5 of these were from Asia, 2 from Sub-Saharan Africa and one each from LAC and the MENA region. The reforms were mainly around developing proportionate AML/CFT frameworks and simplified KYC rules.

Regarding identification, Afghanistan set up a biometrics identity system while Mexico established rules to apply biometric identification procedures when opening accounts in order to address identity theft. With biometric technology becoming increasingly affordable, available and reliable, this trend is expected to grow. Peer-learning within the AFI network is also building knowledge and enabling wider adoption of technologies for remote KYC. Easing of KYC procedures is the most widely applied of proportionate AML/CFT rules as it removes an obvious entry barrier for the unbanked.

Jordan on the other hand reported setting up a KYC regime for Forcibly Displaced Persons (FDPs). The initiative is expected to advance financial inclusion and economic empowerment of FDP's by granting them access to mobile payments infrastructure. This trend is picking up as Bangladesh Bank also circulated a similar draft Circular within the AFI network and beyond for peer review.

Da Afghanistan undertook an AML/CFT National Risk Assessment of financial inclusion products and services. This is a significant exercise as it is a pre-condition for the application of proportionate risk-based KYC, to avoid censure during mutual evaluations. The National Risk Assessments (NRA) enable countries to identify and give a risk rating for financial products and services and as such apply appropriate control measures based on the risk rating. NRA's are not public documents and as such have not been available for peer-learning, in response to this, AFI's Global Standards Proportionality Working Group (GSP WG) is developing a series of case studies that will document the processes and stakeholder consultations involved, to assist countries as they plan and undertake their risk assessments.

A number of reforms reported were with regards to rules and guidelines for setting up basic bank accounts targeted at low income individuals. This was the case in São Tomé e Príncipe, Mozambique, Philippines and Thailand. In the Philippines, the Central Bank, Bangko Sentral ng Pilipinas (BSP) issued a circular for a no-frills deposit account with low opening fees and no dormancy charges, and in Mozambique regulations were reviewed to revise the minimum age of opening a bank account. These measures are

intended to remove account opening barriers for the un-banked and underbanked and increase the number of people with access to financial services.

Basic Bank Account

The Bank of Thailand together with the Thai Bankers Association is working on the implementation of a Basic Banking Account policy (BBA) which aims to improve financial access and promote the savings behaviour of those with low incomes. As a result, financial institutions will offer fundamental financial products and services at more reasonable prices and at a reduced cost for targeted segments.

Highlights

11 GSP REFORMS REPORTED FROM **8 COUNTRIES** IN 2017



Afghanistan



Bangladesh



Jordan



Mexico



Mozambique



Philippines



São Tomé e Príncipe



Thailand



Reforms in the area of SME Finance have reduced slightly from 20 in 2016 to 16 in 2017. The reforms seem to come mostly from the Sub-Saharan Africa and Asia regions. The trend seems to be towards developing broad national strategies or policies to advance Micro, Small and Medium Enterprises (MSMEs), as seen particularly in Tanzania, El Salvador, Belarus, Liberia and Pakistan.

A number of reforms are targeted specifically at enhancing the supply of credit to MSMEs, with Fiji and Liberia setting regulations to strengthen credit unions for instance. Bangladesh, Timor Leste and Namibia focussed on refinancing facilities and credit guarantee schemes. Secured guaranteed funds are expected to lead to an increase in the number of borrowers who are access credit, and contribute to the growth of the MSME sector in general.

Nigeria and Bangladesh had reforms targeted at specific underserved segments such as women, youth and rural communities. The Central Bank of Nigeria issued guidelines on the regulation and supervision of Islamic microfinance banks in Nigeria, the objective being to promote the provision of financial and non-financial services to low income clients such as the owners of micro-enterprises, farmers, the youth and women.

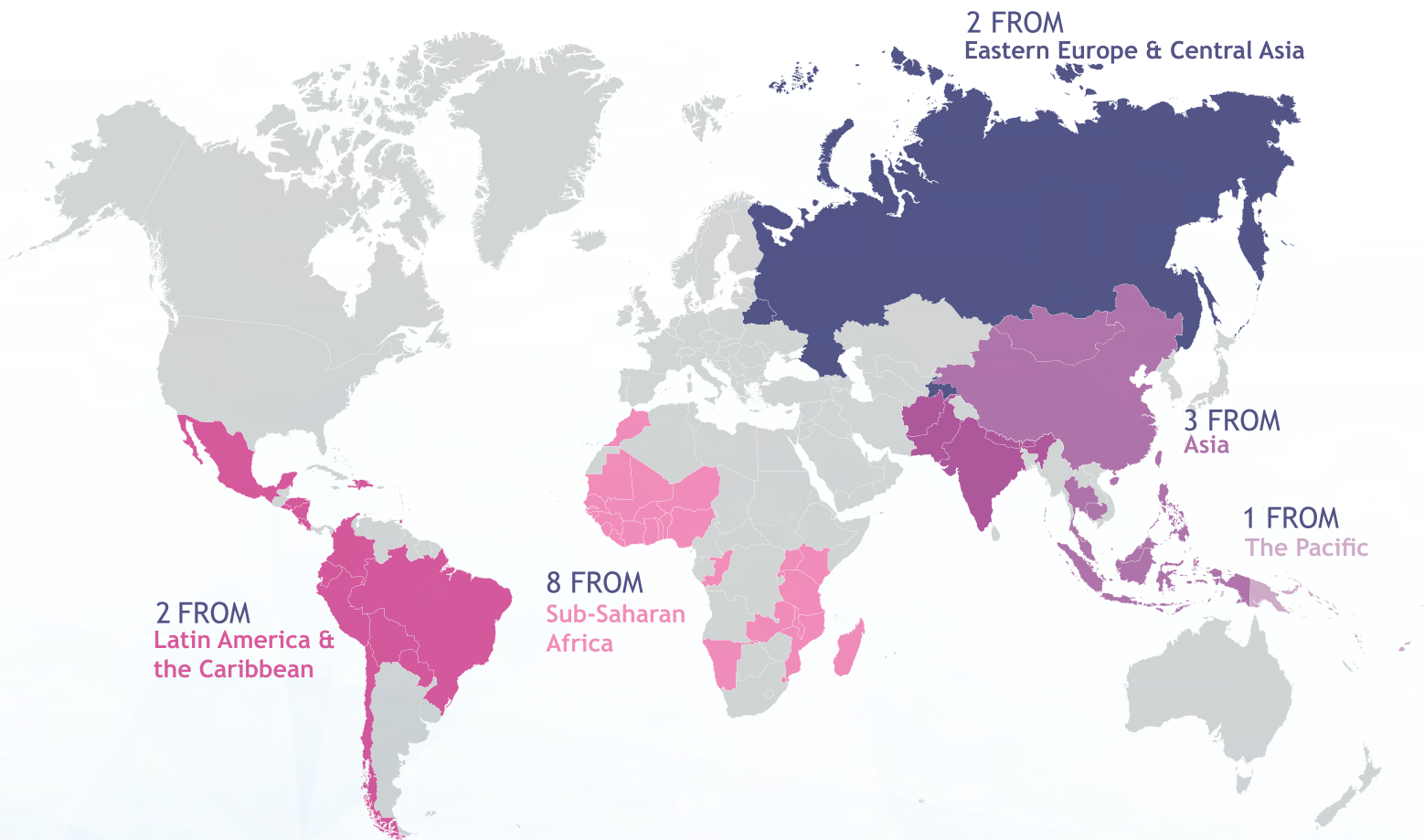
Bangladesh Bank has reforms that target women enterprises 'To accelerate economic development by inspiring Cottage, Micro and Small Entrepreneurs especially Women Entrepreneurs in Trade and Manufacturing Industry'.

The Central Bank of Liberia developed a Micro-Finance Regulatory and Supervisory Framework for Liberia. It is envisioned to ease financial transactions, consumer protection, efficient regulation and supervision of the MF Sector as well as monitoring and reporting for continued planning and programming to sustain and improve the MF Sector. Consumer confidence in MFI will improve and their dealings / transactions volumes will increase. They will also have better services and security of their funds and ease of transactions.

Highlights

16

SME REFORMS REPORTED FROM 13 COUNTRIES IN 2017



■ Focus also on women-owned SME's



Bangladesh



Nigeria

Highlights

20 REGULATIONS REPORTED FROM 16 COUNTRIES IN 2017

2 FROM
Latin America &
the Caribbean

10 FROM
Sub-Saharan
Africa

1 FROM
Middle East &
North Africa

7 FROM
Asia



Afghanistan



Bangladesh



Burundi



Cambodia



Haiti



Jordan



Liberia



Malawi



Malaysia



Nepal



Peru



Seychelles



Tanzania

WAEMU
countries

Zambia



Zimbabwe

■ The focus was responsible lending practices, financial literacy and education, and on consumer protection.

6

Consumer Empowerment & Market Conduct



As with all thematic areas, policy and regulatory changes in the area of consumer empowerment and market conduct have been increasing over the years. In 2017, a total of 20 policy reforms were reported, compared to only 8 in 2016. The 20 reforms came from 16-member countries and the BCEAO which covers 8 countries of the West African Economic and Monetary Union (WAEMU)¹. Half of the policy changes in this thematic area came from the Sub-Saharan Africa region.

The emerging trend in the reforms reported in 2017 was in the area of responsible lending. About half of the regulatory changes were aimed at addressing issues of transparency and disclosure as well as help and redress mechanism. Bank of Zambia the ‘Loan Disclosure Requirements Directive’ aimed at enhancing disclosure requirements in relation to variable interest rates. Similar regulations were reported by Peru, Burundi, Jordan, Liberia and BCEAO for WAEMU countries. The Central Bank of Liberia amended its Market Conduct regulation to include a provision for truth in lending that mandates Institutions to provide written disclosure to borrowers about important terms of their contracts with customers. Tanzania, Jordan and Cambodia had similar reforms aimed at enhancing complaints handling and redress mechanisms.

Another trend seen in 2017 was in financial literacy, capability and education, with 5 AFI member institutions reporting launching national financial literacy policies or programmes. These are Seychelles, Malaysia, Nepal, Bangladesh and BCEAO with a regional financial education program for the WAEMU countries. Bangladesh formulated a financial literacy programme targeting Micro-Finance Institutions (MFI’s) to address misappropriation of credit.

On consumer protection, 3 countries, Zimbabwe, Cambodia and Liberia, reported that they are setting up national consumer protection frameworks, outlining the obligations of financial service providers on one hand, and the rights of consumers within the context. These regulations are aimed at enhancing the confidence of consumers in the financial system and thus lead to increase in access and usage of financial services.

The Bank of Tanzania Guidelines for Banking Consumers Complaints 2015 were extensively amended in 2017 for more efficient complaints resolutions.

¹ WAEMU or UEMOA countries are: Benin, Burkina Faso, Côte d’Ivoire, Guinea Bissau, Mali, Niger, Senegal, Togo

Conclusion

The financial inclusion regulatory environment is still very dynamic, with a wide range of countries at different levels of inclusion, undertaking various actions, reforms and strategies to address barriers that hinder inclusion and create an enabling regulatory environment for the development of appropriate financial services and products.

The findings confirm the growing trend of countries developing National Financial Inclusion Strategies (NFIS) across all regions over the last few years. 65 AFI member institutions currently have or are developing an NFIS, 9 have completed implementing their first NFIS and 4 of them are implementing their second Strategies. AFI's Financial Inclusion Peer-Learning Group (FIS PLG) has been supporting this trend, and developed the National Financial Inclusion Strategies Toolkit, a toolkit for policymakers on how to formulate, implement and monitor a National Financial Inclusion Strategy. The FIS PLG has also peer-reviewed 17 NFIS for AFI member institutions.

AFI's Capacity Building Programme has also been instrumental in encouraging and supporting this trend, and developed a member training module, 'Financial Inclusion Strategy and Data', a one-week training targeting middle to senior level officials from AFI member institutions involved in the formulation and implementation of financial inclusion strategies, data collection and impact assessment. To date 4 such trainings have been undertaken, with over 150 participants from AFI member institutions.

In 2017 there was a specific request from 9 AFI member institutions for technical-support in setting up financial inclusion units, and/or implementing NFIS. In response AFI organised a Peer Advisory Service jointly with the Central Bank of Nigeria to expose participants to the practical aspects of developing and implementing strategies. Peer Advisory Services are specific and practical knowledge exchange visits, where participants undertake on-site visits and interact with institutions that have significant experience in the implementation of an NFIS through a specially established unit within the institution.

These findings also demonstrate the increased reliance on digital technology to expand the reach of financial services. A majority of NFIS have Digital Financial Services (DFS) as a key pillar. This trend has been persistent over the years. Member institutions are recognising the importance of a well-developed National Payments System (NPS) and are reviewing their NPS Acts, electronic-money regulations and agent banking regulations. AFI's Digital Financial Services Working Group (DFS WG) is supporting this trend and recently published a Guideline Note, 'National Retail Payment Systems to Support Financial Inclusion' outlining the key principles that regulators and policymakers should

consider in developing laws and regulations on retail payment systems to support financial inclusion.

Some AFI members are considered advanced in certain aspects of Digital Financial Services and have been instrumental in peer-learning and building capacity within the network. Bangladesh Bank and the Central Bank of Kenya have separately co-hosted Joint-Learning Programmes in the last couple of years providing peer learning on practical ways of formulating enabling policy, rules and regulations for DFS.

Reforms in DFS have been seen to go hand in hand with strong laws to protect consumers as they use these new channels of delivery. Member institutions are also putting in place strategies to increase financial literacy levels to enable the unbanked and underbanked to fully participate and enjoy these DFS products.

The trend in DFS has been seen in all AFI regions particularly in Sub-Saharan Africa, East and South East Asia, Eastern Europe and Central Asia and the Latin America and Caribbean.











Overall, out of the 118 reported policy reforms in 2017, 48 (41%) of them received support from the AFI Capacity Building programme, and 41 (35%) reforms were peer-reviewed by AFI Working Groups and through various platforms including the AFI Member Zone. 24 reforms (20%) were as a result of a grant from AFI.










The development of effective financial inclusion policies may not always translate into higher level objectives of sustainable access and usage of appropriate financial services by the unbanked or underbanked. Success is contingent on effective coordination and implementation of these policies, often involving various other national and international institutions. AFI members are aware of this and are increasingly taking a multi-stakeholder approach in their NFIS to achieving their financial inclusion objectives. This calls for new partnership and collaborative arrangements that will require policy and regulatory response. The advent of Fintech will also present opportunities and challenges in the financial services landscape that policymakers and regulators will have to respond to. As such, we expect to see the current pace of policy development to increase at least in the short term. Phase 3 of AFI is modelled as a policy leadership alliance for financial inclusion and as such AFI is well poised to take members through these new opportunities and challenges.









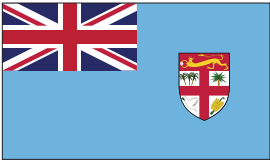






The appendix contains the list of reported policy and regulatory changes for 2017. The list can also be found in the online AFI Data Portal (www.afi-dataportal.org).

Appendix 1: LIST OF REPORTED POLICY & REGULATORY CHANGES-2017



Country	Policy/ Regulatory Change	Policy Area
 <p data-bbox="204 557 376 595">Afghanistan</p>	<ul style="list-style-type: none"> <li data-bbox="491 398 1294 461">■ Established a financial inclusion department within Da Afghanistan Bank. <li data-bbox="491 472 1294 535">■ Da Afghanistan Bank undertook a Financial Consumer Protection Diagnostic with technical assistance from the World Bank. <li data-bbox="491 546 1294 586">■ Set up a biometrics ID system <li data-bbox="491 589 1294 651">■ Da Afghanistan Bank undertook a AML/CFT National Risk Assessment of Financial Inclusion products/services. <li data-bbox="491 663 1294 786">■ Da Afghanistan Bank undertook a supply-side survey from the commercial banks, Electronic Money Institutions (EMIs) and Micro-Finance Institutions (MFIs). The study will be used for diagnostic purposes to inform regulatory and policy reforms. <li data-bbox="491 788 1294 846">■ A national financial inclusion demand-side survey started with support of the World Bank. 	 FIS  CEMC  GSP  FID
 <p data-bbox="204 1023 376 1061">Bangladesh</p>	<ul style="list-style-type: none"> <li data-bbox="491 864 1294 1178">■ Bangladesh Bank issued a circular to establish and boost-up Refinancing Facilities for the development of small, cottage, micro and medium industries. A fund for USD 240 million was created by the government and the Asia Development Bank (ADB) to provide refinancing to banks and Financial Institutions for the above purpose. The fund will be used to motivate the establishment industries outside town and metropolitan areas. This circular will enable financial service providers get easy and low-cost funding from the Central Bank, as a result they will increase their loans to low income groups. <li data-bbox="491 1180 1294 1469">■ To accelerate economic development by inspiring Cottage, Micro and Small Entrepreneurs especially Women Entrepreneurs in Trade and Manufacturing Industry, a set of instructions were issued for; Continuing efforts for approving continuous credit for current/working capital requirement consistent with the nature of enterprises; Providing 3 months grace period for 1 year term loan and 3 to 6 months grace period for medium to long term loans based on banker-customer relationship; Considering grace period as additional to actual credit tenure. <li data-bbox="491 1471 1294 1570">■ Bangladesh Bank issued Instructions to be followed by institutions engaged in mobile financial services for prevention of money laundering, terrorist financing and proliferation financing. <li data-bbox="491 1572 1294 1671">■ National Financial Inclusion Strategy preparation is in progress under the initiative of Bangladesh Bank, with the Micro-Credit Regulatory Authority participating in the process. <li data-bbox="491 1673 1294 2152">■ Prudential Guidelines for Agent Banking Operation in Bangladesh 18 September 2017 Agent banking is a system of providing limited scale banking services to the underserved population through engaged agents under a valid agency agreement, rather than a teller/cashier. Bangladesh Bank has decided to promote this complimentary channel to reach out to the unbanked and underserved segments of the society as well as existing bank customers with a range of banking services especially to geographically dispersed locations. With a view to ensuring the safety, security and soundness of the proposed delivery channel, “Prudential Guidelines for Agent Banking Operations in Bangladesh” have been framed by Bangladesh Bank to facilitate banks to engage in agent banking. The purposes of these Guidelines include: Establish agents as a channel for delivering banking services in a cost effective manner; Outline activities which can be carried out 	 SMEF  GSP  FIS  DFS

Country	Policy/ Regulatory Change	Policy Area
	<ul style="list-style-type: none"> by an agent as well as provide a framework for offering branchless banking services; Increase outreach of the banking services and promote financial inclusion within a safe and sound financial system environment; and Serve as a set of minimum standards of data and network security, customer protection and risk management to be adhered to the branchless banking services. Formulated a Financial Literacy program for stakeholders, especially the MFI's, to address misuse and misappropriation of credit. 	 CEMC
<p>Belarus</p>	<ul style="list-style-type: none"> The National Bank of the Republic of Belarus developed a strategy for the development of small and medium-sized enterprises up to 2030. Belarus signed a Decree "On digital economy development" which legalizes cryptocurrencies, initial coin offerings and smart contracts. Individuals will be able to store, change, buy, donate, bequeath, mine, and exchange cryptocurrencies and tokens for fiat currencies. 	 SMEF
	<ul style="list-style-type: none"> The Royal Monetary Authority of Bhutan developed and published the National Financial Inclusion Strategy Policy. 	 FIS
<p>Bhutan</p>	<ul style="list-style-type: none"> Loi no 1/17 du 22 août 2017 régissant les activités bancaires: An MOU was signed between the Central Bank and the telecommunications regulator, which aims to set up procedures for exchanging information, documentation and cooperation around control, a coordination framework for dealing with difficulties and resolving crises, consultations on all subjects of common interest relating to the supervision of subject institutions and exchanges of experience. Banque de la République du Burundi issued guidelines 'Règlement no 001/2017 relatif aux services de paiement et aux activités des établissements de paiements', which lays down rules on the approval of payment institutions and the exercise and control of their activities by the Central Bank. It also lays down some rules to be respected by all issuers of means of payment when they provide payment services, and these may be provided both at national and international level. Banque de la République du Burundi put in place 'Règlement no 002/2017 relatif aux agents commerciaux en opérations de banque et de services de paiements', which outlines the rules and procedures for the activities of commercial agents of subject institutions. 	 DFS
	<ul style="list-style-type: none"> Regulations on Financial consumer protection were drafted in 2017. 	 CEMC
<p>Burundi</p>	<ul style="list-style-type: none"> Set up a consumer protection committee. The National Bank of Cambodia developed Regulations on Complaint Handling (2017). The National Bank of Cambodia, in collaboration with the Ministry of Education, is developing a curriculum on Financial Inclusion that will be used from grade 1 to grade 12. 	 CEMC
	<p>Cambodia</p>	

Country	Policy/ Regulatory Change	Policy Area
	<ul style="list-style-type: none"> ■ Launched Fast Payment system to enable fast transfer / payment in local currency. ■ The National Bank of Cambodia developed Regulations on The Management of Payment System Institutions (2017). ■ The National Bank of Cambodia developed Regulations on Central Shared Switch (2017). ■ The National Bank of Cambodia and stakeholders developed the Cambodian Financial Inclusion Strategy (2018-2025). This document provides guidance for achieving the vision of increased financial inclusion in Cambodia. The strategy aims to increase the demand for formal financial services. The target is to increase access and quality of formal financial services, reduce the financial exclusion of women by 50%, and diversify usage of formal financial services from 59% to 70% by 2025. 	 DFS
Egypt	<ul style="list-style-type: none"> ■ Issued e-money regulation. 	 DFS
	<ul style="list-style-type: none"> ■ Drafted a National Financial Inclusion Policy (IV Quarter 2017). The Financial Inclusion Policy intends to generate conditions in order that financial institutions will be able to offer financial products in a sustainable way. The Financial Inclusion Policy also intends to generate conditions to bring transparency and suitable channels to protect consumers, mainly related to innovative financial products. 	 FIS
El Salvador	<ul style="list-style-type: none"> ■ Reform to Law to Facilitate Financial Inclusion (January/2017). The modification made it possible to establish the ease of opening Electronic Money wallets and Simplified Accounts remotely, even for new clients. 	 DFS
	<ul style="list-style-type: none"> ■ The Central Bank organized a dialog with the financial industry to discuss the regulatory barriers for access to credit of SMEs. The new policies will be evaluated together with to the National SME Demand-side survey that will be undertaken in 2018. The key objectives are to minimize the legal requirements, documents and other obstacles SME's face to access credit and to grant major levels of working capital and productive credits. This will lead to growth of the productive national sector contributing to the development and well-being of the population: better levels of employment and income. 	 SMEF
	<ul style="list-style-type: none"> ■ Launched 2nd national financial inclusion strategy. 	 FIS
Fiji	<ul style="list-style-type: none"> ■ Drafted payment system law. 	 DFS
	<ul style="list-style-type: none"> ■ Developed regulations to strengthen credit unions. 	 SMEF
	<ul style="list-style-type: none"> ■ A policy framework to guide licensed institutions on the collation and reporting of dis-aggregated data. The objective is for Financial service providers to have data that gives them a better understanding and helps to design and offer appropriate financial 	 FID

Country

Policy/ Regulatory Change

Policy Area



Ghana

services products and services that will lead to greater usage. With improved products and services, we anticipate greater financial inclusion and usage. This should translate into ability to accumulate greater savings and investments and resilience to the unknown shocks that they may encounter.

- In line with the National Payment Systems Oversight Framework (2000) in 2016 the Bank began the process to establish the Payments Systems Council (PSC) to drive the developments in the payment systems. The Council was inaugurated on January 10, 2017.

<https://www.bog.gov.gh/privatecontent/Banking/NATIONAL%20PAYMENT%20SYSTEMS%20OVERSIGHT%20FRAMEWORKV1.1.pdf>

- Payment System Bill review to enhance the use of financial technology (fintech) products.

- Drafted National Financial Inclusion Strategy. Key elements of which are to increase financial literacy, increase the number of clients and volume of business and increase in the use of financial technology (fintech) to reach clients.

- The Draft “Borrowers & Lenders Bill”; is to address gaps in the old regulation and enhance competitiveness of Ghana’s financial institutions and operations of the Collateral Registry. Specifically, it will correct deficiencies in the registration of moveable / immoveable charges as collateral security. The Policy changes will make for swift Out-of-court realization of collateral and reduce default rates as a result of customers being more informed of the impact of non-payment on their credit history. It would facilitate easy and improved access to credit, enhance financial inclusion and lead to economic growth. Consumers would appreciate expectations of the service provider, as well as their responsibilities and the right to recourse.



Guinea

- Adopted a law on inclusive financial institutions. This law strengthens the regulatory framework for microfinance institutions and provides a legal basis the activity of other inclusive financial structures (e-money institutions, postal financial services, etc.). This law allows the actors to have a more adapted regulatory framework for their activities and allows greater security in the intervention of financial inclusion actors.



Haiti

- The Banque de la Republique d’ Haiti (BRH) team has worked on a draft of consumer protection law that will serve as guidelines to protect clients using financial products and services. The new law will help to promote transparency and reinforce the confidence of consumers in the financial system. Consumers will be more aware of their rights regarding financial deals and financial transactions and gain confidence in the sector.










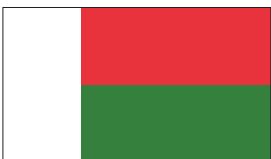









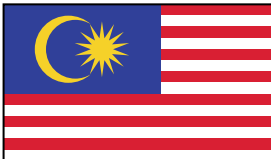

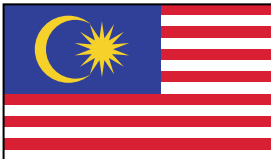
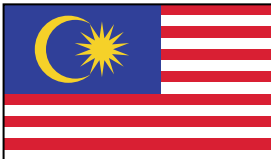

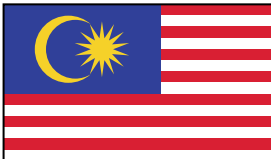

Jordan










- Set up KYC regime for Forcibly Displaced Persons (FDPs).



- The Central Bank of Jordan (CBJ) launched the 2018-2020 National Financial Inclusion Strategy for the Hashemite Kingdom of Jordan (NFIS) in 2017. It is a national, multi-stakeholder policy process for enhancing the formal financial inclusion of the entire population, mainly among the low-income segments, women, youth, refugees, and micro, small and medium-sized enterprises. The NFIS has 3 priority policy areas; Microfinance;











Country	Policy/ Regulatory Change	Policy Area
	<p>Digital Financial Services; and Small and Medium-sized Enterprise (SME) Finance. Four areas are considered as cross-cutting enablers that facilitate the development of industries and make them more robust: Financial Technology; Financial Consumer Protection and Financial Capabilities; Data and Research; and Laws, Regulations, and Instructions. The objective of the NFIS is to increase the use of formal financial services raising the financial efficiency, reducing costs, boosting confidence and competitiveness, improving the quality of services provided to consumers. The National Financial Inclusion Strategy for Jordan has two high-level goals:</p> <ol style="list-style-type: none"> 1. To increase the level of financial inclusion from 24.6% in terms of account ownership by the adult population (Global Findex 2014) to 36.6% by 2020 2. Over the same time, to reduce the gender gap from 53% to 35% 	 FIS
Kenya	<ul style="list-style-type: none"> ■ The Central Bank of Jordan issued Consumer Protection and Mechanism to Handle Complaints for the Jordan Mobile Payment on 30/3/2017 which contains disclosure, Protection of Consumers' Data, contracts, and handling complaints from consumers. 	 CEMC
	<ul style="list-style-type: none"> ■ Developed new prudential return templates to collect deeper Digital Financial Services (DFS) data. This will allow for better tracking of new market products, to enable the regulator to have a better overview of products and develop better consumer protection policies. 	 FID
Liberia	<ul style="list-style-type: none"> ■ The Central Bank of Liberia (CBL) issued an Agent Banking Regulation in 2017, which is intended to promote agent banking and to facilitate the linkage between the commercial banks and agents which could be merchants, credit unions, rural community institutions and businesses. The Agent Banking Regulation is expected to create new business opportunities for commercial banks and reduce their operating costs. It also provides business opportunities for non-bank financial businesses to engage in financial services. On the demand side, the regulation will help in expanding financial services throughout the country, especially the rural areas. It will help to facilitate affordable and convenient financial services. ■ The Central Bank of Liberia issued Mobile Money Regulations. ■ Developed a National Digital Financial Services Strategy that is in its draft stage and is awaiting validation by stakeholders. 	 DFS
	<ul style="list-style-type: none"> ■ As part of its efforts to promote transparency in financial services, the CBL developed and issued additional reporting requirements from banks on the publication of their interest rates and charges, and complaint reporting. ■ The Central Bank of Liberia issued a Consumer Protection framework. The Consumer Protection and Market Conduct Regulation was amended in 2017 to include a provision for truth in lending that mandates Institutions to provide written disclosure to borrowers about important terms of their contracts with customers to enable their customers make informed decisions. 	 CEMC
	<ul style="list-style-type: none"> ■ The Central Bank of Liberia developed a Micro-Finance Regulatory and Supervisory Framework for Liberia. It is envisioned to ease 	

Country	Policy/ Regulatory Change	Policy Area
 Madagascar	<p>financial transactions, consumer protection, efficient regulation and supervision of the MF Sector as well as monitoring and reporting for continued planning and programming to sustain and improve the MF Sector. Consumer confidence in MFI will improve and their dealings / transactions volumes will increase. They will also have better services and security of their funds and ease of transactions.</p> <ul style="list-style-type: none"> ■ The Central Bank of Liberia issued Regulations for the Licensing and Operations of Credit Unions in Liberia. 	 SMEF
 Malawi	<ul style="list-style-type: none"> ■ 2017: New Law on E-Money and E-Money Issuers. E-money bill was previously approved by parliament in 2016. ■ 2017: New Law on Microfinance. ■ 2017: National Strategy of Financial Inclusion (SNIM 2018-2022). 	 DFS
 Malawi	<ul style="list-style-type: none"> ■ Rolled out a national strategy on financial inclusion. ■ Interoperability Directive (this Directive aims at easing/increasing access to payments services so that people are not restricted to accessing their funds through ATMs and POS devices provided by their banks. Following this Directive, ATMs of all banks in Malawi have been interconnected through the National Switch and some banks POS devices have also been integrated through the National Switch. The Directive also ensures that MNOs get integrated to the National Switch. 	 SMEF
 Malawi	<ul style="list-style-type: none"> ■ Introduction of Guidelines on Islamic Finance in August 2017 which allow banks to roll out Islamic banking products. The guidelines on Islamic Finance will ensure that banks are able to roll out and offer Islamic banking products, thereby increasing their customer base who will be bringing in the much-needed deposits for lending to customers. The Guidelines on Islamic Finance have the potential to enhance financial inclusion as it will attract customers who were not able to access traditional banking services due to religious beliefs. 	 FIS
 Malawi	<ul style="list-style-type: none"> ■ Publication of a gazette notice in 2017 prohibiting banks from charging fees on savings and current accounts. This gazette notice will allow banks to attract potential customers to open new accounts, thereby attracting more deposits for on-lending, thus growing their balance sheets in the process. The gazette notice will reduce customer expenses and will thus be able to attract more customers to open bank accounts to access banking services. 	 FIS
 Malaysia	<ul style="list-style-type: none"> ■ National Strategies for Financial Education. 	 DFS
 Malaysia	<ul style="list-style-type: none"> ■ National Strategies for Financial Education. 	ISLAMIC
 Malaysia	<ul style="list-style-type: none"> ■ National Strategies for Financial Education. 	 CEMC
 Malaysia	<ul style="list-style-type: none"> ■ National Strategies for Financial Education. 	 CEMC

Country	Policy/ Regulatory Change	Policy Area
 Mexico	<ul style="list-style-type: none"> Identity theft: This regulation sets the rules to apply biometric identification procedures when opening accounts or credits. Fintech law: This regulation allows the operations of electronic money issuers, crowdfunding platforms, crypto-currencies and sets the rules for a Regulatory Sandbox. 	 GSP  DFS
 Mongolia	<ul style="list-style-type: none"> Developed a national financial sector development strategy to include the financial inclusion dimension. The National Development Program of Financial Markets for 2017-2025 was developed by the Bank of Mongolia (The Central Bank), the Ministry of Finance, the Financial regulatory commission and approved by the Mongolian Government in 2017. This is the road map of policy and regulations which will be taken by the policy makers and regulatory authorities in Mongolia in next 7 years. The operating plan was determined by taking into consideration not only global development trends and international experience, but also home country characteristics and levels of public financial literacy. The specific goals related with the financial inclusion in the program: 1. To conduct consumer protection scheme and to renew a legal environment. 2. To improve public financial education. 3. To formulate National Financial Inclusion Strategy. 	 FIS
	<ul style="list-style-type: none"> Approved the National payment system law. 	 DFS
	<ul style="list-style-type: none"> Estimated the financial inclusion indicators categorized by sex and geographical location and published it on quarterly report on Non-bank financial market. 	 FID
 Morocco	<ul style="list-style-type: none"> Developing a National Financial Inclusion Strategy (NFIS): Since 2016, the Central Bank of Morocco is leading the process of the NFIS development in collaboration with the Ministry of Finance. As part of this process, Moroccan Authorities defined the Governance Structure and organized a national workshop to share best practices with all the stakeholders and identify the main challenges of financial inclusion in Morocco. The focus of the strategy is to serve vulnerable targets with formal financial sector services and reduce disparities (regional, gender, by income). This strategy to be launched in 2018 will capitalize on the individual initiatives of the various regulators and financial market players, particularly in the areas of SME financing, microfinance, consumer protection, housing finance, insurance and mobile payment. 	 FIS
	<ul style="list-style-type: none"> Developing women financial inclusion policy: Being aware of the gender gaps in terms of usage of formal financial services, the Central Bank of Morocco has started thinking of specific measures to undertake to bridge the gender gap. For this purpose, the Central Bank of Morocco has raised the financial sector awareness about this challenge and conducted a study on the international practices related to this area. 	GWFI

Country	Policy/ Regulatory Change	Policy Area
	<ul style="list-style-type: none"> ■ Regulation on Payment Service Providers, including fintech to promote innovation in the sector and allow the introduction of fintech. ■ Legal framework for e-money to harmonize regulation on e-money within a unique legal framework DFS. ■ Regulation on bank accounts including minimum age of opening bank account to increase the level of people with bank accounts. 	 DFS  GSP
	<ul style="list-style-type: none"> ■ The Bank revised regulations on electronic money, known as PSD-3 - Determination on issuing of Electronic Money in Namibia, 2017. The review was to ensure that the regulation incorporates the changing electronic money environment. ■ We are working on the SME Financing Strategy which will enhance access to Financial inclusion for SMEs in Namibia. The Strategy comprises of three complimentary facilities. The three facilities are the Credit Guarantee Scheme (CGS), Catalytic First Loss Venture Capital Fund (CFLVCF) designed mainly for growth-oriented SMEs and a Challenge Fund (CF) to bridge the challenges faced by the Micro, Small and Medium Enterprises (MSMEs) in Namibia. 	 DFS  SMEF
	<ul style="list-style-type: none"> ■ Nepal Rastra Bank drafted a financial education/inclusion policy. There are policies and directives related to financial inclusion in Unified Directives made by NRB for BFIs. With inclusion at 40% according to NRB data, focus has been on branchless banking and e-banking, targeting the rural unbanked. 	 CEMC
	<ul style="list-style-type: none"> ■ The 2012 National Financial Inclusion Strategy was reviewed and refreshed. The focus of the new strategy will be on more consumer-centric financial products and services. The strategy will also address issues of compliance with consumer protection regulations, and on deepening financial system. The objective of the strategy is to have increased Consumer protection and improved consumer capability and sophistication. The strategy also aims for increased access to Financial services that will lead to improved wellbeing and livelihoods. ■ Guidelines on the Regulation and Supervision of Non-Interest (Islamic) Microfinance Banks in Nigeria (NIMFBs). The Guidelines will enhance Financial Inclusion by bringing to the formal sector, individuals, communities opportunities and corporations that were not captured by the conventional Microfinance Banks. This will promote the provision of a broad range of financial and Non-Financial services to low income clients such as the operators of Micro-enterprises, peasants, farmers, artisans, fishermen, youths, women, retirees etc. in the formal and informal sectors. 	 FIS  SMEF
	<ul style="list-style-type: none"> ■ The State Bank of Pakistan issued a policy for the promotion of SME financing. The policy consists of about nine pillars for promoting SME financing. These include improvement in regulatory framework, upscaling through microfinance banks, risk mitigation strategy, simplified procedures for SME financing, program-based lending and value chain financing, capacity 	 SMEF

Country	Policy/ Regulatory Change	Policy Area
 <p>Pakistan</p>	<p>building and awareness creation, non-financial advisory services for SMEs through banking channel, leveraging technology for promotion of SME banking and simplification of taxation regime for SMEs. The policy aims to develop and promote a vibrant SME sector and is expected to significantly enhance the supply of credit to SMEs in Pakistan. The promotion of SME financing is seen as a key contributor towards GDP growth, to boost employment and improve livelihoods.</p> <ul style="list-style-type: none"> Asaan Mobile Account (AMA) scheme was developed and approved by the NFIS council to facilitate 2-minute account opening process and facilitate transactions through a basic/ feature mobile phone. The scheme will improve the accessibility of new customers for account opening, drive usage of digital financial services and provide digital access to a range of quality financial services. The strategy aims to open transactional accounts for 50 percent of the adult population by 2020. 	 DFS
 <p>Palestine</p>	<ul style="list-style-type: none"> Developed the national strategy for financial inclusion in Palestine. The strategy will aim to provide digital financial services and promote innovations in products and services targeting special segments such as women, SME's, entrepreneurs. The strategy will also focus on consumer protection, capacity building, financial awareness enhancement, responsible lending and, transparency and disclosure. 	 FIS
 <p>Peru</p>	<ul style="list-style-type: none"> Res. SBS N° 3274-2017, Reglamento de Gestión de Conducta de Mercado del Sistema Financiero (Regulation on Market Conduct Management for the Financial System). It brings business practices into the supervision sphere of the SBS. That means that policies and procedures from the top-down(beginning with the board) will have to have consumers at their centre, product design will have to consider consumers' issues and not only profitability and risks' analysis and it gives more relevance to the Market Conduct Official (formerly the User Services Official) in each institution, among others. This regulation enhances the disclosure regime, so consumers will have better information and more salience of the information that matters. 	 CEMC
 <p>Philippines</p>	<ul style="list-style-type: none"> Set up national retail payment system to facilitate seamless fund transfer. Cash agents (BSP Circular No. 940). This allows banks to use third party cash agents as a cost-efficient service delivery channel. With cash agents, banks will be able to strategically leverage on innovative digital banking solutions to onboard clients and expand its market, even in the low-income areas long considered as niche and unviable by bigger banks. Risk-based and technology-enabled KYC (BSP Circular No.950). This allows covered institutions to implement reduced Know-Your- Customer (KYC) rules for certain low-risk accounts and use technology for face-to- face contact requirements. These amendments will facilitate frictionless customer on-boarding which is currently a major pain point for those serving the low-income segment. Virtual currency exchange (BSP Circular No. 944). The BSP now regulates entities that use virtual currency as the underlying instrument for remittance. Regulating virtual currency entities 	 DFS

Country

Policy/ Regulatory Change

Policy Area

signifies the BSP's acknowledgement of virtual currency as an innovative instrument that can facilitate the speed and affordability of remittance and payment transactions.

- Basic Deposit Account (awaiting Circular number). This is an affordable savings product with low opening amount and maintaining balance, and no dormancy charges. The reserve requirement for this type of deposit is 0% so that banks will also be encouraged to offer it to broader markets. This no-frills deposit account will allow every Filipino not only to save and manage their finances but also serve as a gateway for everyone to transact in the digital finance ecosystem.
- Branch-lite (BSP Circular No. 987). Branch-lite units can provide a wide range of products and services suited for servicing the needs of the market. With simplified and more flexible provisions, banks will be better able to expand in areas which are unbanked and underserved.
- Enhanced regulatory framework for money service business (BSP Circular No. 942). Recognizing the role of remittance and transfer companies in the provision of basic financial services especially to the unbanked, the BSP enhanced existing regulations to ensure that MSBs are properly supervised for their effective compliance with AML and internal control rules and guidelines.



GSP



Rwanda

- In 2017, the Ministry of Finance and the Central Bank developed the first financial inclusion policy and strategy, which was reviewed by AFI Working Groups. The focus of the strategy is on developing and implementing consumer protection guidelines, Financial Education and Literacy, and DFS and agency banking penetration. The objective is to achieve 90% financial inclusion by 2020 - Including more people into financial services by leveraging on digital and electronic means and ensuring Financial Education.



FIS



São Tomé e Príncipe

- The country is undertaking a National Financial Inclusion Demand-side and enterprise survey. The results of which will be used to develop a National Financial Inclusion Strategy.
- BCSTP developed regulations to incentivize financial institutions to ease the process of account opening by customers (Nr 20/2017 - Procedimento para Troca da Dobra nas Instituições Financeiras).



FID



GSP



Senegal

- Undertook a national survey (supply and demand side) on financial inclusion and started the formulation of the National Financial Inclusion Strategy. The survey was undertaken with support from a grant from AFI. The national financial inclusion strategy that will be developed will focus on the digitization of financial services.



FID

- A working group on Financial Inclusion has been set up by the Ministry and a draft order to establish a Coordinating Committee of Initiatives for Strengthening Financial Inclusion (COCIRIF) has been developed.



FIS



Seychelles

- The Central Bank of Seychelles (CBS) and the Financial Services Authority launched the National Financial Education Strategy.



CEMC

Country	Policy/ Regulatory Change	Policy Area
 <p>Sudan</p>	<ul style="list-style-type: none"> Undertook a national financial inclusion survey in partnership with FinMark Trust. 	 FID
 <p>Swaziland</p>	<ul style="list-style-type: none"> Developed the National Financial Inclusion Strategy, which has the following five pillars: <ol style="list-style-type: none"> Enhanced E-money to transact and save Formal financial products for remittance payments for vulnerable groups Provision of insurance to mitigate risks Deepening the banking sector Access to productive credit and consumer protection. The Financial Inclusion Strategy has the following targets: <ol style="list-style-type: none"> Rural Finance - Reduce the proportion of adult population unbanked from 27% to 15% by 2022 Micro Finance - Improve the outreach from 3% of the adult population to 12% by 2022 SME Finance - Increase access to SME finance from 4% to 25% by 2020 Agriculture Finance - Improve the agricultural coverage of the SME guarantee scheme from 2% to 15% by 2022 Women & Youth Finance - Disaggregate all finance/bank data according to gender by 2018. 	 FIS
 <p>Tajikistan</p>	<ul style="list-style-type: none"> A new Law of the Republic of Tajikistan “ On payment services and payment systems” was adopted in 2017. The law is the first of its kind in the country. Prior to this financial institutions, MNOs and other payment system companies have worked under different unrelated legislations and sometimes no legislation. The current Law primarily targets benefits of end users, credit organizations etc. Also, the Law allows COs to engage in Agency Banking Activities. Meaning that CO are allowed to work with non-credit institutions to provide basic banking services in remote areas of the country. In order to maintain the development of microfinancing and financial inclusion, the National Bank of Tajikistan amended the Regulation #215 on assets loss provisions which regulates the procedures of making provision for loans and other type of financial assets by lending institutions (banks and microfinance institutions). According to the mentioned amendments the lending institutions’ level of NPL for group loans decreases, expenditures for making provisions for micro loans and micro group loans also decrease, as well encourages them to extend more such loans. These amendments will enable consumers have more access to micro loans and micro group loans. 	 DFS
 <p>Tanzania</p>	<ul style="list-style-type: none"> Improved the agent banking guideline to facilitate recruitment of agents. Tanzania has reviewed its first Financial Inclusion National Framework (2014-2016) which ended in December 2016 and come up with a Second Financial Inclusion National Framework (2018-2022) which was launched in December 2017. The aim of the strategy is to address barriers especially those faced by 	 DFS
		 FIS

Country

Policy/ Regulatory Change

Policy Area

consumers to access and use financial services and products. The spirit of the Framework is to advance the vision of NFIF1 so that Financial products and services meet the needs of individual and businesses consistent with supporting livelihood improvement, household resilient and creation of jobs. Key areas include: 1. Improved KYC through digital identification cards for all adults by 2022 2. Improved digital payment platforms by enabling full inter-operability 3. Introducing financial literacy from the primary education level.

- Tanzania reviewed the National Microfinance Policy 2000 and developed a new National Microfinance policy 2016 that was launched in November 2017.
- Bank of Tanzania developed a National Microfinance Strategy to implement the new Microfinance policy. The strategy was launched in November 2017.
- The Bank of Tanzania Guidelines for Banking Consumers Complaints 2015 were extensively amended in 2017 for more efficient complaints resolutions.



SMEF



CEMC



Thailand

- Development of PromptPay Jointly launched by the Ministry of Finance and the BOT and developed together with the private sector, the Any ID project or PromptPay service was transfer of money. With the PromptPay system, people can transfer money by simply inputting the receiver's mobile number or citizen id number for ease of use. Amounts less than 5,000thb (approximately 150 USD) can be transferred free of charge, and other amounts have minimal transfer costs. Earlier this year, PromptPay was further developed to enable transfers through the use of QR Codes further facilitating access to the low-cost payments and transfer services.



DFS

- Basic Banking Account the BOT together with the Thai Bankers Association is working on the implementation of a Basic Banking Account policy (BBA) which aims to improve financial access and promote the savings behavior of those with low incomes. As a result, financial institutions will offer fundamental financial products and services at more reasonable prices and at a reduced cost for targeted segments.



GSP

- Guidelines on Reverse Mortgage a Guideline on good practices for financial institutions who offer Reverse Mortgages for senior citizens was issued. This aims to enhance financial access for senior citizens and encourage financial institutions to develop and offer financial products and services for senior citizens. This policy will ensure that products offered are in-line with the needs of consumers and the changing demographics such as Thailand's aging society.

OTHERS







Timor-Leste

- BCTL developed SME Finance regulations, the key element of which is the establishment of a Credit Guarantee Scheme, set up by Decree-law that was approved by the Council of Ministers as well as promulgated by H.E. President of Republic. The key elements consist of; what is the obligation of the Central Bank, what is the obligation of the Participating Lender, and what is the obligation of the Customers that have been regulated in the Decree-law. The envisioned supply-side benefit of this regulation is credit that is given is secured by the guaranteed fund, leading to



SMEF

Country	Policy/ Regulatory Change	Policy Area
	<p>an increase in the number of borrowers who are access credit, and can expand financial services of participating lenders to the rural areas. On the demand-side, this regulation will enable borrowers or customers in general to easily access credit provided by participating lenders, increase the number of borrowers who take up credit, as well as incentivize borrowers to expand their business to a larger scale.</p>	 FIS
Uganda	<ul style="list-style-type: none"> ■ Uganda's National Financial Inclusion Strategy [NFIS] 2017-2022 was launched in 2017. The objectives of the strategy are to deepen and broaden formal savings mobilization, consumer protection and Financial Literacy. The strategy also focuses on developing digital financial services infrastructure. ■ Amendments were made to the Financial Institutions Act to include Islamic Banking. ■ Amendments were made to the Financial Institutions Act 2016 to include Agent Banking. 	ISLAMIC FINANCE
	<ul style="list-style-type: none"> ■ Developed a National Financial Inclusion Strategy (NFIS). 	 FIS
Vanuatu	<ul style="list-style-type: none"> ■ Electronic money regulations were revised to take into account proportional regulation based on risks and AML/CFT, to reinforce the responsibility of the electronic-money issuer in the ecosystem. ■ BCEAO launched a project to support the promotion of access of decentralized financial systems to UEMOA regional payment systems (PASFDSPR). It aims to improve the quality and safety of services offered to the population as well as reduce costs and transaction times. ■ The interoperability project for digital payments in UEMOA. The objective is to facilitate the establishment of an efficient solution for exchanges between actors or networks (banks, financial payment institutions, decentralized financial systems, electronic money institutions and fast money transfer companies), different instruments and the channels used (cards, mobile phones, internet and transfers) and the extension of services to all types of accounts (banking, e-wallet) and access points (ATM / ATM, TPE, MPOS, distributors). 	 DFS
	<ul style="list-style-type: none"> ■ Developing a regional financial education program in the UEMOA. ■ A regional policy to increase transparency in the pricing of financial services offered by the decentralized financial systems of the Union is in formulation. 	 CEMC
WAEMU		 FIS
Zambia	<ul style="list-style-type: none"> ■ Zambia recently launched its National Financial Sector Development Policy alongside the National Financial Inclusion Strategy (NFIS) for the period 2017 - 2022. The main goal is to 'achieve universal access to and usage of a broad range of quality and affordable financial services that meet the needs of individuals and enterprises'. The overall high-level targets for the NFIS are to 	

Country

Policy/ Regulatory Change

Policy Area

have 80 percent of the population financially included (formally and/or informally) and 70 percent of the adult population formally financially included by 2022. Therefore, the financial system is expected to grow further with a deepened and broader market as well as resource base to tap into and service. The strategy will help to bring the unbanked and under-served population into the formal financial system by among others, exploiting technological advancements which have created opportunities for expanding access and usage of financial services.

- Zambia issued the Loan Disclosure Requirements Directive: The objective of this Directive is to enhance disclosure requirements in relation to variable interest loans and conditions and procedures for early settlement/refinancing of loans.
- Bank of Zambia undertook a review of the E-money issuance Directives of 2015: the objective is to protect the integrity of the payment system particularly in recognition of the role of e-money in facilitating financial inclusion.



CEMC



Zimbabwe

- Consumer Protection Framework was issued in June 2017. The Framework provides for the minimum expected conduct of banks and other regulated financial institutions as they interface with the public. It outlines the obligations of financial services providers and the rights of consumers. Improved protection of financial consumers is expected to result in increased public confidence in the financial system and uptake of financial services. Mandatory training of employees is also expected to result in improved business offering and customer service. It is also expected to lead to higher uptake of financial services and attendant benefits improving livelihoods.



CEMC

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